

839. By Mr. GRAHAM of Pennsylvania: Petition of Philadelphia Board of Trade, opposing the passage of Senate bill 690; to the Committee on Banking and Currency.

840. Also, petition of Philadelphia Board of Trade, protesting against any amendment of the transportation act; to the Committee on Interstate and Foreign Commerce.

841. By Mr. KING: Petition of the Tuscarora Club, of Galesburg, Ill., petitioning Congress to pass such legislation as will amend the Constitution of the United States in order that Congress shall have power, concurrent with that of the States, to limit and to prohibit the labor of children under 18 years of age; to the Committee on the Judiciary.

842. Also, petition of the Izaak Walton League of America, Kewanee Chapter, No. 45, indorsing House bill 4088; to the Committee on Agriculture.

843. By Mr. PERKINS: Petition of board of managers of the Junior Order of United American Mechanics of New Jersey, favoring further restrictive immigration laws; to the Committee on Immigration and Naturalization.

844. By Mr. SABATH: Petition of city council of the city of Chicago, State of Illinois, protesting against Federal encroachments on the rights of States; to the Committee on the Judiciary.

845. By Mr. WELSH: Memorial of Philadelphia Board of Trade, opposing the enactment of Senate bill 1642, "to provide for the purchase and sale of farm products"; to the Committee on Agriculture.

846. By Mr. YOUNG: Petitions of Iona V. Bolton and seven other clerks of the Jamestown, N. Dak., post office; also of Lester E. Nierling and four other carriers of the Jamestown, N. Dak., post office, urging the passage of House bill 4123; to the Committee on the Post Office and Post Roads.

847. Also, petition of Tri-State Grain Growers' Convention, Fargo, N. Dak., on January 17, 1924, urging enactment into law of the Wallace plan for disposition of surplus wheat; also urging passage of the livestock loan bill; also asking for the repeal of the drawback and milling-in-bond provisions of the Fordney-McCumber law; to the Committee on Agriculture.

848. Also, petition of O. T. Tofsrud, of Rugby, and some 80 other citizens of Pierce County, N. Dak., urging the passage of House bill 4159 and the repeal of the drawback and the manufacturing-in-bond privileges; also urging the passage of what is known as the Wallace plan for marketing wheat; to the Committee on Agriculture.

849. Also, petitions of L. A. Larson and 33 other citizens of Rugby, N. Dak., and vicinity, assembled in mass meeting on January 21, 1924; 43 or more business men and farmers of Rogers, N. Dak.; 40 business men and farmers of Pillsbury, N. Dak.; Alex S. Hill and a number of farmers in the vicinity of Maxbass, N. Dak.; 40 residents of Bremen, N. Dak., all urging the repeal of the drawback and the manufacturing-in-bond privilege and urging the passage of what is known as the Wallace plan for marketing wheat; to the Committee on Agriculture.

850. Also, petition of the North Dakota Game and Fish Commission, favoring the passage of the public shooting ground bill; to the Committee on Agriculture.

851. Also, petition of O. J. Melgard and 74 other citizens of Grace City, N. Dak., and vicinity; H. M. Stroud and 40 other citizens of Wimbledon, N. Dak.; 27 citizens of Barlow, N. Dak.; and 53 farmers in mass meeting at Rugby, N. Dak., on January 21, all urging an increase of the duty on wheat from 30 to 60 cents per bushel, repeal of the drawback and manufacturing-in-bond provision of the Fordney-McCumber Act, and favoring the passage of the Wallace plan for the marketing of wheat; to the Committee on Agriculture.

## HOUSE OF REPRESENTATIVES.

SATURDAY, February 2, 1924.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our blessed heavenly Father, Thy mercies are new every morning and fresh every evening. May we feel the ties that bind us tenderly to Thee. Always help us to have abiding faith in the power of good over evil and ever keep us in harmony with all that is pure and upright.

In this silence, with subdued breath we pray for that most distinguished one as he lingers in the shadows of eternal morning. In that hushed chamber, reveal Thyself in the varied forms of comfort and peace. Give restful assurance to all sad and heavy hearts. Shelter and keep him unafraid in Thy

secret place and may the shadow of the Most High bathe his brow, as he awaits the summons to enter his Father's house in heaven forever more. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

### ENROLLED BILL SIGNED.

The Committee on Enrolled Bills reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

S. 794. An act to equip the United States penitentiary, Leavenworth, Kans., for the manufacture of supplies for the use of the Government, for the compensation of prisoners for their labor, and for other purposes.

### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed joint resolution and bill of the following titles, in which the concurrence of the House of Representatives was requested:

S. J. Res. 68. Joint resolution authorizing the erection on public grounds in the city of Washington, D. C., of a memorial to the Navy and Marine services to be known as Navy and Marine Memorial Dedicated to Americans Lost at Sea; and

S. 1837. An act granting the consent of Congress to the Fulton Ferry & Bridge Co. to construct a bridge across the Red River at or near Fulton, Ark.

### SENATE BILL AND JOINT RESOLUTION REFERRED.

Under clause 2 of Rule XXIV, Senate joint resolution and bill of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. J. Res. 57. Joint resolution authorizing the erection on public grounds in the District of Columbia of a statue by Jose Clara personifying "Serenity"; to the Committee on the Library.

S. 1837. An act granting the consent of Congress to the Fulton Ferry & Bridge Co. to construct a bridge across the Red River at or near Fulton, Ark.; to the Committee on Interstate and Foreign Commerce.

### SETTLEMENT OF INDEBTEDNESS OF THE REPUBLIC OF FINLAND.

Mr. CRISP. Mr. Speaker, by direction of the Committee on Ways and Means, I call up H. R. 5557, a bill to authorize the settlement of the indebtedness of the Republic of Finland to the United States of America. I believe the matter is a privileged one as it deals with revenues, but when the British settlement came up unanimous consent was given for the consideration of it. After conferring with the gentleman from Ohio [Mr. LONGWORTH], I ask unanimous consent that the House proceed to the consideration of H. R. 5557.

The SPEAKER. The gentleman from Georgia asks unanimous consent for the immediate consideration of H. R. 5557, which the Clerk will report by title.

The Clerk reported the bill by title.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

Mr. CRISP. Mr. Speaker, this bill is on the Union Calendar and, therefore, I ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRISP. Mr. Speaker and gentlemen of the House, President Harding did me the honor of appointing me a member of the World War Foreign Debt Commission, the other members of the commission being, as you know, Secretary of the Treasury A. W. Mellon, Secretary of State Charles E. Hughes, Secretary of Commerce Herbert Hoover, Senator REED SMOOT, Senator THEODORE BURTON, and Hon. Richard Olney, of Boston. On account of my being a member of the commission my Republican colleagues on the Committee on Ways and Means did me, a minority member, the courtesy of directing that I make the report for the committee on the bill we are now considering, and have charge of it on the floor of the House. For that evidence of their friendship and courtesy I desire to make public expression of my appreciation.

On December 9, 1917, a new Republic was formed, for on that day a former little grand duchy of the Russian Empire declared its independence and established the Republic of Finland. According to the International Yearbook for 1922, Finland has an area of 145,000 square miles and a population of 3,335,000 people. Its principal occupation is agriculture. Only about 8½ per cent of the area of Finland is tillable, but notwithstanding the severe cold climate this little Republic

has made remarkable development in an agricultural way. Wheat, oats, barley, rye, and hay are raised, and they constitute their chief export crops. About half the entire area of this little Republic is covered with pine lands, 33½ per cent of it at one time being the crown forests of Russia.

This little Republic has demonstrated that it appreciated the friendship and aid extended it; it has demonstrated that it has a high regard for its national honor and regards as inviolate its international agreements, and this whole settlement has reflected credit upon the little Republic of Finland. Its people are industrious, energetic, and imbued with a high sense of national honor, and I feel sure this little Republic will live to bless its people and be of service to mankind. [Applause.]

America is a Christian Nation and America will always do its part toward alleviating the suffering of mankind, but America will do it in its own way, and America has always measured up to the responsibility devolving upon it as one of the leading nations of the world.

The indebtedness which we are to-day asking you to approve as being funded did not arise out of the appropriations which Congress authorized to be advanced to our Allies to aid in the prosecution of the war, but was authorized under an act of Congress approved February 25, 1919. Great parts of Europe were in a prostrate condition owing to the ravages of the war; industry had been interfered with, crops destroyed, and millions of people were suffering for the want of food. Congress passed the act creating a revolving fund of \$100,000,000 and authorized the President of the United States out of that fund to make advances and sell foodstuffs to those prostrate people of Europe. Under authority of that act the United States sold this little Republic of Finland approximately \$35,000,000 worth of foodstuffs.

Finland has paid all of that sum except eight million and some odd hundred thousand dollars as principal and the interest on it, making the entire indebtedness to-day \$9,000,000. Finland has paid us approximately \$27,000,000. Now, the revenues and expenditures of this little Republic barely meet, and Finland has not the revenues to pay the principal of this debt, but Finland desires to do the best she can and to amortize the debt and pay it as soon as she is able economically to do it.

The debt commission is happy whenever it can reach a funding settlement with any of the small debtor nations, for, while the amount involved may be comparatively small, every settlement made is notice to the other nations that we expect them to settle. We read in Holy Writ "A little child shall lead them," and I hope the older nations of the world will follow the example of the new-born nation of Finland and promptly take steps to fund their indebtedness; therefore, I am happy to inform the country that an agreement has been made with Finland to fund her indebtedness.

Now, this settlement, so far as Finland is concerned, is identical with the settlement this country has made with Great Britain. Congress passed an act creating the Foreign Debt Commission and authorized that commission to enter into negotiations with the debtor nations for the purpose of funding their indebtedness, with the limitation that the commission should not enter into any settlement that reduced the rate of interest below 4½ per cent or extended the time of payment beyond 25 years. When the settlement with Great Britain was made those limitations were exceeded, for the rate of interest in that settlement was reduced to 3 per cent for the first 10 years and 3½ per cent for the remainder of the time, and the period was extended to 62 years. Of course, the commission had no authority to make a settlement of that character without confirmation or ratification by Congress. So the commission reported its settlement with Great Britain to Congress and Congress approved it, and in that act authorized the commission to enter into negotiations of settlement with the other debtor nations with the condition that if the time for payment was extended beyond 25 years or the rate of interest reduced below 4½ per cent, the commission had to report its action to Congress for approval.

The commission in this settlement with Finland gave Finland the exact terms which we gave Great Britain, the commission feeling certain that the Congress of the United States would be willing to extend to this little new Republic of Finland the same terms that it gave Great Britain.

The bill which you are considering has the unanimous support of the Committee on Ways and Means.

Mr. BLANTON. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. BLANTON. The impression has gone abroad throughout the United States that our Government has nothing to show for the money we loaned France.

I want to ask the gentleman from Georgia if it is not a fact that we have the same kind of obligations now from France

that we had from England when we liquidated that indebtedness?

Mr. CRISP. We have.

Mr. BLANTON. And that is just as good an obligation as any lawyer can sit down and draw.

Mr. CRISP. It is a legal promissory note by which France agrees to repay the money lent her with 5 per cent interest.

Mr. BLANTON. And agrees to have it funded under certain terms.

Mr. CRISP. Yes.

Mr. BLANTON. Then it is a lawful evidence of a legal debt.

Mr. CRISP. I think there is no question about it, and later on I expect to express my views regarding the foreign-debt situation.

Mr. LONGWORTH. Will the gentleman yield?

Mr. CRISP. Certainly.

Mr. LONGWORTH. But, as a matter of fact, we have never received any interest on the indebtedness of France.

Mr. CRISP. No, sir; we have not.

Mr. BLANTON. That is because of the dereliction of France and not because of the validity or invalidity of the legal document.

Mr. CRISP. I do not think there is any question about the legality or the validity of the document.

Mr. BYRNS of Tennessee. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. BYRNS of Tennessee. The gentleman has doubtless stated it, but if so, I will ask him to state again what is the indebtedness of Finland owing to us.

Mr. CRISP. Nine million dollars.

This settlement with Finland has been approved by the Debt Funding Commission, subject to the approval of the Congress. It has been approved by the late President Harding. It has been approved by President Coolidge, and it has been approved by the Legislature of the Republic of Finland, and under the agreement the Finnish Government has issued and delivered her bonds to the United States Government, payable in gold of United States currency of present weight and fineness. They have delivered the bonds and the Finnish Government has paid the first installment of principal due under the agreement, amounting to \$45,000, and has paid \$270,000 interest on the funding of the indebtedness, so all that remains to be done to make it legal and binding on both countries is for the Congress of the United States to ratify it, which I am confident you will do.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. CRISP. I will.

Mr. TAYLOR of Tennessee. Do I understand the accrued interest has been paid?

Mr. CRISP. The interest due at the first two interest periods under the agreement of funding on June 15 and December 15 has been paid, which amounted to \$270,000.

Mr. TAYLOR of Tennessee. That is the back interest up to date.

Mr. CRISP. Yes. Part of the original interest up to the settlement was included and funded in the principal of \$9,000,000 for which bonds have been issued, and those bonds bear interest.

Mr. CHINDBLOM. Will the gentleman yield for a question?

Mr. CRISP. Certainly.

Mr. CHINDBLOM. Did the gentleman state that this settlement is made as of the 15th day of December, 1922?

Mr. CRISP. It was; and the regular rate of interest, 4½ per cent, was included up to the date of the funding of the indebtedness. After that the interest for the first 10 years is 3 per cent and for the remaining 52 years 3½ per cent. The settlement is in identical terms with the settlement which this Government extended to Great Britain.

Mr. CHINDBLOM. Just one other observation. The settlement is as of the same date as was the settlement with Great Britain?

Mr. CRISP. Yes.

Now, gentlemen, I think I have in a general way explained to you the details of this settlement. My very distinguished colleague on the Debt Funding Commission, the gentleman from Ohio [Mr. BURTON], will address you. Therefore I shall not refer any further to this particular settlement with Finland. I think it is creditable both to the United States and to the Republic of Finland.

This settlement recalls to our minds at once our entire foreign-debt situation. Minority members on committees and commissions have no power to control the policy of the commission or the committee. Being a minority member on the World War Debt Commission, the only way I know of that I can express my views publicly as to that situation is by stating them on the floor of the House. Therefore I am going



to trespass upon your time to briefly refer to our foreign debt, hoping the responsible officials of our country and the debtor nations will read them and take some immediate steps in the premises. Desiring to be guarded and quoted exactly as I say it, I have reduced my remarks dealing with the debt to writing.

The Foreign Debt Funding Commission is opposed to the cancellation of the amounts due us by the allied nations and has urgently insisted that the debts be funded and that the debtor nations begin at once to liquidate same. With the exception of Great Britain and Finland, the debtor nations have shown marked indifference toward the settlement of their long-past-due obligations, notwithstanding they are based solely on contractual relations between us and them and evidenced by written promissory notes. The eleven billions due us is the property of the people of the United States, and the Debt Commission has no authority to cancel same, and, in my opinion, they would be recreant to the trust reposed in them if they ever agreed to recommend such a course. Personally, I am unalterably opposed to the cancellation of any of the principal of the indebtedness and will never consent to it. The indebtedness due us is in no way connected with, interwoven with, nor dependent upon reparation claims which our debtor nations may have against Germany, but they are based on direct loans made to the debtor nations pursuant to a definite contract entered into with them by the United States Government when they needed financial assistance to aid them in the prosecution of the war on which their very national existence depended.

America voluntarily gave unstintingly of her gold and treasure in the prosecution of the war. She gave the precious blood and lives of thousands of her noblest citizens and many billions of her wealth. Our national indebtedness was increased by war expenditures to a larger percentage than the national indebtedness of any of our allies was increased. Today our taxes are higher than most of them and our people are being taxed millions of dollars to pay interest on the bonds sold to raise the money loaned to the allies. When these loans were made it was distinctly understood that the borrowing nations would pay interest promptly, so that the American taxpayers would not be required to pay this interest. As a result of the war, America gained no territorial possessions, no land, no gold, no cattle, no coal, no rolling stock, nor wealth of any character as did our allies. For every service rendered us by the allied nations we paid. We paid them for transporting our soldiers overseas; for all war supplies furnished us we paid; for the use of trenches, for quarters to house our troops; for destruction of private property the American Government paid 100 cents on the dollar. International obligations have always been regarded by the great nations of the earth as most sacred, and to my mind there is no excuse or justification why the debtor nations should longer refuse to fund their indebtedness. By this procrastination and delay they are alienating the sympathy and friendship of thousands of American taxpayers. America is always generous; never unjust nor unreasonable. We know it is impossible under economic conditions obtaining in Europe for the debtor nations to pay at once the colossal sums due us, and we have not requested it nor do we expect it. We have offered to amortize the loans over a long period of 62 years and reduced the rate of interest to a reasonable one, and it is inconceivable to me that the debtor nations should longer delay making settlement. The funding of these debts will go a long way toward stabilizing the world's economic condition, and the peace, happiness, and prosperity of the world depends upon stabilization. During the year 1923 France made loans to Poland, Rumania, Yugoslavia, and Hungary, the loans totaling 13,000,000,000 francs. The loan of 500,000,000 francs to Hungary was to be utilized largely in enlarging what is known as the Shodu munition works in Hungary. The reason given by the French Government for making these loans is that the loans to Poland and Yugoslavia were made for the purpose of stimulating sympathy for France in those countries. The loan to Rumania was for the purpose of maintaining a perfectly equipped army to insure peace in the east. Surely if France is financially able to make loans to friendly nations, she is able to make some payment on her national indebtedness to the United States, whose friendship for France is traditional. International debts can only be collected in two ways—either by a voluntary payment or by force of arms. The whole world is heartsore and weary of war, and I fervently pray that we may never have another one. It is inconceivable that America would make war over the indebtedness due her, which she will never do, and even if attempted I would oppose such a course with all the force and energy in me. Speaking for myself alone, I do favor our Government's using all honorable economical and diplomatic methods possible to collect our foreign

debt, so that the people of the United States may be relieved of the tax loads and burdens they are now bearing on account of these loans. Speaking in this assembly to the elected Representatives of the entire Nation, will you permit me to say—and I trust I express your sentiments when I say it—that I hope the debtor nations will realize at once the importance of funding their indebtedness to us and that they will take steps immediately to do so.

Mr. ABERNETHY. Will the gentleman yield for a question?

Mr. CRISP. I will gladly yield to the gentleman from North Carolina.

Mr. ABERNETHY. This report is a unanimous report?

Mr. CRISP. It is a unanimous report of the Committee on Ways and Means.

Mr. HASTINGS. Will the gentleman yield?

Mr. CRISP. I will.

Mr. HASTINGS. Does the gentleman have information showing the total figures as to the indebtedness of the foreign nations?

Mr. CRISP. No; I have not them before me, I will say to my friend from Oklahoma; they have been printed and are contained in executive documents, and the gentleman can undoubtedly obtain one of those documents from the document room, which will give him detailed information.

Mr. HASTINGS. I was hopeful the gentleman had those figures, so he could put them in the Record now, where they would be available for our use.

Mr. CRISP. I will incorporate them in my remarks. Our total indebtedness with interest is a little over \$11,000,000,000. Great Britain has funded her indebtedness, which is over \$4,000,000,000. [Applause.]

	Credits established.	Cash advanced.
Belgium.....	\$349,214,467.89	\$349,214,467.89
Cuba.....	10,000,000.00	10,000,000.00
Czechoslovakia.....	67,329,041.10	61,974,041.10
France.....	2,997,477,800.00	2,997,477,800.00
Great Britain.....	4,277,000,000.00	4,277,000,000.00
Greece.....	48,236,629.05	15,000,000.00
Italy.....	1,648,034,050.90	1,648,034,050.90
Liberia.....	26,000.00	26,000.00
Rumania.....	25,000,000.00	25,000,000.00
Russia.....	187,729,750.00	187,729,750.00
Serbia.....	26,780,465.56	26,780,465.56
Total.....	9,636,828,204.50	9,598,236,575.45

I yield such time as he may desire to the gentleman from Ohio [Mr. BURTON]. [Applause.]

Mr. BURTON. Mr. Speaker, my colleague, my good friend from Georgia has so well stated the details relating to the debt of Finland that it is unnecessary to add anything to what he has said.

I desire to give a brief expression of the good feeling which is due from our Government and the American people to the Governments of Great Britain and Finland, for their recognition of the obligation to pay their indebtedness to the United States.

Last spring the debt of Great Britain was settled. The capitalization of the amount was \$4,600,000,000. Very soon thereafter the representative of Finland appeared before the Debt Commission and proposed a similar settlement of their indebtedness, which of course was very much smaller, amounting to only \$9,000,000. The commission assured the representative that its members would approve the settlement, but that the question must be submitted to the President of the United States for his approval, and then to Congress. He very promptly cabled his Government and the Diet remained in session long enough to vote its approval. When we pass this bill it conveys our congratulations and our thanks to the new Republic of Finland, our hope that her people may enjoy their place among the nations of the earth.

From 1809 down to 1917, Finland was a part of Russia. Her boundary extended very close to the city of Petrograd. It was promised that there should be an autonomous government, with her own capital at Helsingfors; but Finland was treated with extreme severity by the Russian Government. I have had occasion to hear Russia's view as well as that of Finland. The Russian view was that Finland, right at the doors of the capital of Russia, had shown no signs of assimilation; that they were a distinct people, assiduously maintaining their own language and customs, their own religion, and thus a certain measure of severity was necessary.

At its first beginning the new Republic of Finland in 1917 had pronounced Bolshevik leanings, but that is done away with. It is one of the few Governments of Europe which has balanced its budget. That country has many representa-

tives as immigrants in our own country, and they are among the most industrious and stable of our population. This settlement promotes good will between Finland and the United States which I trust may be lasting and sincere.

In regard to the rest of these debts, I do not wish to enter upon a discussion at this time. I think that when the questions relating to reparations are considered by the present commission, sitting first in Paris and then in Berlin, it may be time for us to take up that subject anew.

In the years 1922 and 1923 I was in very close touch with the sentiment in Europe in regard to these debts. The central idea in France, and in a lesser degree with Italy, is that the reparations to be paid by Germany are inseparably connected with their indebtedness to us. Their contention is, "Yes; we owe you; we wish to pay, but we must depend upon what we receive from Germany for the funds with which payment is to be made."

I was present at an international gathering at Copenhagen last August and had to stand, as I may say, with my back against the wall to prevent the reporting and the passage of a resolution asking for a commission to consider reparations from Germany and the debt to the United States as upon the same footing. It was possible to moderate that resolution. I argued before the gathering and was reinforced by Senator SWANSON and Senator ROBINSON, who were there present, that there was a vital distinction between these loans made by us, which were contractual and voluntary agreements of the respective nations, while this indemnity levied upon Germany was in the nature of punishment imposed upon the vanquished. A senator of France took the opposite view and criticized what I said, maintaining that the indemnity levied upon Germany—the reparations—was quite as much a valid obligation as their debt to us. I do not think that view met the approval of the members there gathered, but we have that condition before us. There is a very general opinion in the nations indebted to us that their resources for paying the debts must be derived from the amount they collect from Germany. Not one of them has said that they repudiate in any way; not one has disclaimed the obligation to pay, but they plead along the lines of this contention that they must first obtain the money from Germany, and that their present financial condition is very bad.

Mr. FISH. Will the gentleman yield?

Mr. BURTON. Yes.

Mr. FISH. Can the gentleman explain to the House what action has been taken to settle the cost of American occupation?

Mr. BURTON. I am not very familiar with that. It does not come before the World War Debt Commission, but I understand an agreement has been made for the payment of these amounts. The payment, however, will probably be postponed a considerable time. But that is not in line with the work of the commission.

Mr. ABERNETHY. Will the gentleman yield?

Mr. BURTON. I will.

Mr. ABERNETHY. What has been done toward the settlement of the debt of France, if anything? Is there anything pending?

Mr. BURTON. France has been notified, and they sent a representative, Monsieur Parmentier. He has returned to France with the suggestion from the commission that he make a further proposition representing his Government. I do not want to go into that at the present time. If I were to say anything to the House advocating leniency, it might be used by the debtor nations; and if I spoke of severity, it might create irritation. So I trust Members will excuse me from answering questions of that nature which the commission already has under consideration.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BURTON. Yes.

Mr. BLANTON. Does not the gentleman believe that under the circumstances it is our duty to remind France of just what occurred in this Chamber during the war, when her high commission came over here and spoke from that platform begging us to send men and to lend France money? All we have ever gotten out of it is an I O U and these two beautiful vases that are in the lobby. If we should send those vases back to France it might remind her of what occurred here in this Chamber during the war.

Mr. BURTON. Mr. Speaker, I think a discussion along that line would be unprofitable and perhaps injudicious at this time. There is little to be gained in saying to France what she already knows.

Mr. LITTLE. Mr. Speaker, will the gentleman yield?

Mr. BURTON. Yes.

Mr. LITTLE. Referring to the expenses that the French got into by sending Rochambeau's fleet over here during the Revolution, have we ever paid them back the money that they expended at that time?

Mr. BURTON. They were very lenient toward us.

Mr. LITTLE. We never have paid them at all, have we?

Mr. BLANTON. That is a mere bagatelle.

Mr. LITTLE. Not then.

Mr. BURTON. I think we did; but they extended the time to us and made generous concessions. I have in mind debts contracted.

Mr. STEVENSON. I noticed a statement in the Washington Herald that the commissioner of France came over here, heard the statement of our commission, and practically laughed at them and went home. Is there any such attitude as that?

Mr. BURTON. Oh, no; he went home with deep anxiety, and without any contention that the debt was not due. Mr. Speaker, I trust that the bill will pass unanimously. [Applause.]

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the settlement of the indebtedness of the Republic of Finland to the United States of America, made by the World War Foreign Debt Commission and approved by the President, upon the following terms is hereby approved and authorized:

Principal amount of obligations to be funded, \$8,281,926.17; interest accrued thereon to December 15, 1922, at the rate of 4½ per cent per annum, \$1,027,389.10, less payment in cash made by Finland March 8, 1923, on account of interest, \$300,000, leaving a balance of \$727,389.10; total principal and interest accrued and unpaid as of December 15, 1922, \$9,009,315.27; less payment in cash made by Finland on May 1, 1923, \$9,315.27. Total indebtedness to be funded into bonds, \$9,000,000.

The principal of the bonds shall be paid in annual installments on the 15th day of each December, up to and including December 15, 1984, on a fixed schedule, subject to the right of the Government of Finland to make these payments in three-year periods; the amount of the first year's installment shall be \$45,000, the annual installments to increase with due regularity until, in the sixty-second year, the amount of the installment will be \$345,000, the aggregate installments being equal to the total principal of the debt.

The Government of Finland shall have the right to pay off additional amounts of the principal of the bonds on any interest date upon 90 days' notice.

Interest shall be payable upon the unpaid balances at the following rates on December 15 and June 15 of each year:

At the rate of 3 per cent per annum, payable semiannually, from December 15, 1922, to December 15, 1932, and thereafter at the rate of 3½ per cent per annum, payable semiannually, until final payment.

The Government of Finland shall have the right to pay up to one-half of any interest accruing between December 15, 1922, and December 15, 1927, on the \$9,000,000, principal amount of bonds first to be issued, in bonds of Finland dated as of the respective dates when the interest to be paid thereby becomes due, payable as to principal on the 15th day of December in each succeeding year up to and including December 15, 1984, on a fixed schedule, in annual installments, increasing with due regularity in proportion to and in the manner provided for the payments to be made on account of principal of the original issue of bonds, and bearing the same rates of interest and being similar in other respects to such original issue of bonds.

Any payment of interest or of principal may be made, at the option of the Government of Finland, in any United States Government obligations issued after April 6, 1917, such bonds to be taken at par and accrued interest.

Mr. CRISP. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CRISP. Mr. Speaker, the gentleman from Ohio [Mr. Begg] calls my attention to a typographical error occurring in line 20 on page 2. The word "rates" should be "dates," and I ask unanimous consent that the bill may be so amended.

The SPEAKER. Is there objection to the consideration of the amendment?

There was no objection.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question now is on the passage of the bill.

The question was taken, and the bill was passed.



HARRY F. SINCLAIR.

Mr. FISH. Mr. Speaker, I ask unanimous consent for the present consideration of House Concurrent Resolution 10, which I send to the desk and ask to have read.

The Clerk read as follows:

House Concurrent Resolution 10.

*Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that Harry F. Sinclair be requested through official channels to return to the United States forthwith to testify regarding the proposed cancellation of the Teapot Dome oil lease, produce the books of the Hvyva Corporation, and explain to Congress and the American public the \$25,000 loan to ex-Secretary Fall and other matters affecting the sordid revelations developed by the Senate committee investigating the so-called Fall oil leases.*

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, when the gentleman yesterday sought unanimous consent for the consideration of this resolution I stated that I did not wish to be placed in the attitude of objecting; but I have thought the matter over somewhat since that time, and it seems to me that there are reasons which ought to address themselves to the gentleman from New York [Mr. FISH] himself which would cause him not to press the consideration of this resolution. In the first place, this investigation is being carried on by a committee of the Senate, a coordinate legislative branch of the Government. No House committee is asking for the testimony of Mr. Sinclair; and, by all the rules of courtesy and comity, if this procedure is desired, it should be initiated in the Senate and by the Senate committee. If a House committee were proceeding with an examination and the Senate injected itself into the matter in the way in which the gentleman seeks to have the House inject itself into this matter, I have an idea that there would be some resentment upon the part of the House.

Another objection which it seems to me should appeal to the gentleman and cause him to withdraw his resolution is that he is asking that this matter be taken up through diplomatic channels. It seems to me that, if we can, we ought to keep our mess as near home as possible and not scatter news of it through diplomatic channels to foreign nations. I hope the gentleman will not insist upon his resolution.

Mr. FISH. Mr. Speaker, let me point out to the minority leader that we passed a resolution yesterday calling upon the President to appoint lawyers to prosecute all of the guilty parties. I think the gentleman will agree with me that the prosecution would be a farce unless one of the principals involved, Mr. Harry F. Sinclair, were returned or requested to return to this country immediately. Without the presence of Mr. Sinclair the court action would be postponed indefinitely.

How can the President proceed if Mr. Sinclair, one of the principal witnesses, perhaps the star witness, is on the other side of the ocean?

Mr. GARRETT of Tennessee. If the President finds it necessary, I assume that he of his own motion has the power to proceed through the diplomatic channels of the Government in the way he deems proper.

Mr. FISH. There is no question about that.

Mr. GARRETT of Tennessee. Does the gentleman doubt for a minute that the President will do it?

Mr. FISH. Certainly, the President will do it, when the lawyers appointed request it; that is, when they get down to considering the case, but that may be several weeks from now. Mr. Sinclair has given out a statement to the newspapers that he may return in two months when he has completed his business and arranged a horse race for Zev.

Mr. BEGG. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. BEGG. Does the gentleman think that the membership of the House has any right to assume to know whether or not the President or this committee of the Senate wants this man back at this time, and if the President wants him back, does he require the action of this House?

Mr. FISH. I am not able to speak for the President, and I do not believe the gentleman from Ohio can speak for him. Mr. BEGG. The object of the resolution is perfectly plain, so that he that runs can read. It is that we want the presence of Harry Sinclair in this country and not in London or Paris.

Mr. GARRETT of Tennessee. It may be quite possible if Mr. Sinclair should appear, from what I have heard he might do what I understand another witness has this day done, decline to testify on the ground it might incriminate him. It seems to me the gentleman ought not to press his resolution. The responsibility about this matter rests with the

majority. I do not like to be put in the attitude of objecting; it is a pretty delicate matter—

Mr. BEGG. I will object, if this is where the responsibility rests.

The SPEAKER. The gentleman from Ohio objects.

CONSERVATION IN ALASKA AS PRACTICED BY DEPARTMENT OF COMMERCE UNDER DIRECTION OF FISH TRUST.

Mr. SUTHERLAND. Mr. Speaker, when in the year 1922, by Executive orders, fishery reservations were created in western Alaska and the people protested against the administrative methods adopted by the Department of Commerce, whereby the valuable fishing grounds were turned over to the Fish Trust and independent fishermen were denied their right to pursue their calling within waters where they had formerly exercised that right, the department gave to the press and to the people in explanation that one magical word "conservation," and thus public suspicion was allayed and the Fish Trust became supreme in Alaskan waters. The Assistant Secretary of Commerce went so far as to mention the name of Roosevelt in support of this fishery grab and to intimate that this method of taking a great natural resource from the public and giving it over to private monopoly corresponded to the conservation policies inaugurated by President Roosevelt.

The salmon-fishing season has closed and the results are published by the Department of Commerce, so that the work of that department in "conservation" may be reviewed and conclusions based on the department's figures and statements arrived at.

DESTRUCTION, NOT CONSERVATION.

There has been no destruction of our Alaskan salmon supply in any one season since the beginning of the canning industry such as has taken place within the reservations during the past season, and this destruction has taken place with the sanction and approval of the Department of Commerce under the suspension of all fishery laws.

FACTS AND FIGURES.

I herewith present tabulated statements prepared from statistics furnished by the Department of Commerce which indisputably prove the almost complete destruction of the fish supply within the reserved areas for this season and for many future years that correspond in four-year periods with 1923. This is based on the fact that four years from time of spawning until its return to the parent stream constitutes the life of a red salmon.

After the trust had persuaded the Department of Commerce to establish the reservations it was but natural that the large packers should formulate rules in discrimination against the small packers and independent fishermen, and so a system of limitation on packs was adopted whereby the large canners were permitted to catch more salmon than the waters contained, and thus in trying to obtain as many fish as possible the waters of western Alaska were overfished to the verge of extermination.

"CONSERVATION" IN COOK INLET.

I herewith present the record of the Cook Inlet section of the reservation:

Cook Inlet, season 1923.

Cannery.	Place.	Pack limit.	Actual pack.
		Cases.	Cases.
Alaska Packers' Association.....	Kasilof.....	40,000	14,611
Libby, McNeill & Libby.....	Kenai.....	40,000	26,088
Northwestern Fisheries Co. (Booth).....	do.....	40,000	15,931
Fidalgo Co.....	Point Graham.....	40,000	14,344
Alaska Year-Round Cannery.....	Seldovia.....	3,500	2,099
Anchorage Packing Co.....	Anchorage.....	15,000	4,549
Arette Packing Co.....	English Bay.....	5,000	1,051
North Coast Packing Co.....	Ninilchik.....	5,000	2,073
Pioneer Packing Co.....	Suig Harbor.....	15,000	6,645
H. J. Emard.....	Moose Point.....	5,000	1,543
Total.....		208,000	88,937

This shows that much less than one-half of the allotment was caught.

The 1919 pack in Cook Inlet was less than 120,000 cases. The year 1919 would, according to the opinion of ichthyologists, be the year in which the fish of 1923 were spawned. It is presumed that four years complete the life cycle of the sockeye salmon, and thus the Department of Commerce granted permits to catch almost twice as many fish in 1923 as were caught by intensive fishing in 1919.

The four large canneries on Cook Inlet which were allotted 40,000 cases each, with unlimited gear, obtained the following packs:

	Cases.
Alaska Packers' Association.....	14,611
Fidalgo Island Co.....	14,344
Libby, McNeill & Libby.....	26,088
N. W. Fisheries (Booth).....	15,931
Total.....	70,974

or a total of less than one-half the allotted amount. Cook Inlet was scraped from end to end for red salmon during the past season, and residents of the inlet section report that few, if any, fish escaped to the spawning grounds.

The fishery of Cook Inlet is virtually destroyed for coming four-year periods from 1923, and this destruction has occurred under a policy advertised to the country as "conservation."

#### "CONSERVATION" IN CHIGNIK BAY.

We will now move westward to Chignik Bay and view the results of "conservation" in that fishery for the season of 1923.

Three large canneries operate in this bay. Their allotment limits for the season of 1923 were 50,000 cases each. The following table shows the amounts allotted and the amounts actually packed, with the same amount of gear that was operated in previous years:

Cannery.	Allotment.	Actual pack.
Alaska Packers Association.....	Cases. 50,000	Cases. 23,278
Columbia River Packers Association.....	50,000	23,273
N. W. Fisheries Co.....	50,000	23,309
Total.....	150,000	69,859

This compilation shows that with intensive fishing the Chignik packers could not catch one-half of the amount allotted to them by the Department of Commerce.

A rack or weir was operated in Chignik River this season for the purpose of counting the number of fish that escaped to the spawning grounds, and it was found that 216,124 reddish, or the equivalent of 18,000 cases, escaped, so that the entire run of fish in Chignik Bay for the season of 1923 was 87,886 cases, or a little more than half the amount fixed upon by the Department of Commerce for capture.

When scientific incompetence, under the pretense of conserving the Alaskan salmon supply, permits this wholesale destruction by the packers, it seems time for Congress to take an emphatic stand, or the same conditions that now obtain in Cook Inlet and Chignik fisheries will extend to the entire Territory.

The traps in Chignik Lagoon are placed in such a manner that there is virtually no escapement of fish except during the Sunday closed season.

In 1919, the year in which the 1923 salmon supply was spawned, the entire pack of the Chignik Bay canners, using the same number of traps as usual, was 99,677 cases, or an average of 33,226 cases to each cannery.

With a record of the catch and with knowledge of the very small escapement in 1919, the Department of Commerce deliberately permits the Chignik packers to prepare to capture more salmon in 1923 than could possibly be supplied by the escapement of 1919.

On August 21, 1923, the Chignik packers realized that the season was a failure and permitted the Department of Commerce to issue an order to close down the canneries for the season. This performance was carried out with a noisy demonstration which reverberated in the press of the United States as propaganda of the department to impress the public with the idea that conservation is the purpose in giving away the rich fisheries of Alaska to the Fish Trust. As a matter of fact, the trust allowed the department to "lock the door after the horse was stolen."

The total escapement after the canneries closed was approximately 100,000 red salmon. Had every fish been captured and canned between August 21 and September 15, 1923, it would mean only 100 cases per day to each cannery, and the Chignik Bay canneries can not operate on so small a quantity of fish.

#### SHORTSIGHTED POLICY OF FISH TRUST.

Granting that the representatives of the Department of Commerce are incompetent and childishly impracticable, the question arises, Why should the salmon packers thus deliberately destroy the salmon supply upon which they must depend for future dividends? The answer is, "Just human selfishness." Almost any individual who goes out to hunt or fish will kill the last game animal or bird, or catch the last fish to be seen unless restrained by the law, and in Alaska, under the

reservation system, all laws are suspended and the packers dictate the regulations under which they operate.

#### "CONSERVATION" BY MONOPOLY.

In the region west of Chignik only one cannery obtained the amount allotted by the department in the season of 1923, and this happened to be one belonging to the Pacific-American Fisheries Co., which has been given monopolistic privileges. The department has decided to allow a 50 per cent increase in the pack of this cannery for the season of 1924, and, furthermore, has authorized the construction of a new cannery within the reservation by this same company. All this, of course, in the interest of "conservation." This season's—1923—allotment and pack, in the waters where the monopoly is permitted, an increase for next season, is as follows:

Cannery.	Allotment.	Actual pack.
Pacific American Fisheries, Itatan.....	Cases. 75,000	Cases. 62,262
Pacific American Fisheries, King Cove.....	100,000	46,631
Pacific American Fisheries, Shumagin.....	50,000	50,660
P. E. Harris & Co., False Pass.....	70,000	42,323
Total.....	295,000	201,411

It will be noted that the cannery of the monopoly at King Cove was allotted 100,000 cases, but could not obtain half of that amount. No reduction is made at King Cove for next season and the Shumagin pack is increased 50 per cent and a new cannery at Jacob Island permitted to this monopoly. The fact that several independent fishermen applied for permits to operate in this section had no effect whatever on the Department of Commerce. The monopoly that dictates the department's fishery policy desired to extend its activities, and so through its influence and control of the department it compelled small canners and fishermen to stand aside while it grabbed more fishing waters, and the Department of Commerce informs a gullible public that this is "conservation."

#### DEPARTMENT'S REPRESENTATIVE TELLS OF DESTRUCTION.

I have presented the facts and figures to prove that no such destruction of the Alaska salmon supply has taken place within the section now in reservation in any one year since the inception of the canning industry. While the department is engaged in fooling the American reading public into believing that the salmon supply is being conserved, an agent of the department who acted within the reservation comes right out and tells the truth. I herewith insert an extract from the Pacific Fisherman for October, 1923, containing the statement of Mr. Dennis Winn, Alaska agent of the Bureau of Fisheries:

He confirms earlier reports of a very poor run in the Nushagak and Ugashik and a fairly good one in the Kvichak, but attributes the successful packing season to the fact that weather favorable beyond all precedent, together with an intermittent run of fish, permitted fishermen and packers to make the most of the fish available. As a result he says the escapement was very poor, the number of fish seen on the spawning beds being apparently less than one-tenth of last year's spawners and even less than in 1921.

What more convincing proof than the statement of Mr. Winn is required to convince the public that the "conservation" policy of the Department of Commerce is spurious?

#### DEPARTMENT ASKS CONGRESS TO APPROVE THE GRAB.

Now comes the Department of Commerce and asks Congress to confirm its illegal acts in the Alaskan fisheries; to confirm its suspension of law, its abrogation of the common right of fishery, its denial of the right of fishery to citizens who have heretofore exercised that right in Alaskan waters; to confirm the most outrageous grab of national resources ever attempted by selfish exploiting interests, aided and abetted by unfaithful Government officials. This confirmation is asked for in House bill 2714 and Senate bill 486:

[Sixty-eighth Congress, first session.]

IN THE HOUSE OF REPRESENTATIVES,

December 6, 1923.

Mr. WHITE of Maine introduced the following bill, which was referred to the Committee on the Merchant Marine and Fisheries and ordered to be printed:

A bill (H. R. 2714) to provide for the conservation and protection of fish in Alaskan waters.

Be it enacted etc., That for the purpose of protecting and conserving the fisheries of the United States in Alaskan waters, until such time as Congress shall enact general legislation applicable thereto, the President of the United States may from time to time set apart and



reserve any lakes, rivers, streams, bays, inlets, estuaries, or any other bodies of water within or adjacent to the Territory of Alaska over which the United States has jurisdiction, and may by public proclamation declare the establishment of such reserves and the limits thereof; and from and after the date of such public proclamation it shall be unlawful to fish or to operate any boats, seines, nets, traps, or other gear or apparatus for the purpose of taking fish within the limits of any such reserve, except to the extent, in the manner, at the time, and under such rules and regulations as the President may from time to time prescribe.

SEC. 2. Any person violating any of the provisions of this act shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both.

The purpose of these measures is to obtain congressional sanction of—what? A system of conservation of the Alaskan fish supply? No, indeed; but for the purpose of perpetuating the grab of a great natural food resource by the Fish Trust.

It will be noted that these measures provide that absolute control of the waters of Alaska shall lie with the Department of Commerce "until such time as Congress shall enact general legislation applicable thereto." Why should Congress not enact the "general legislation" at the present time? The answer is that the Department of Commerce wishes to have sufficient time to strengthen the title of the Fish Trust to the Alaskan fisheries to such an extent that Congress may hesitate to revoke it.

WHY THE LAWS WERE SUSPENDED AND CITIZENS DRIVEN OUT OF THEIR FISHERY RIGHT.

The Fish Trust arranged a luncheon for the United States Commissioner of Fisheries, Mr. Henry O'Malley, at the Seattle Chamber of Commerce in September, 1923, just at the close of the packing season. The trust had selected Mr. O'Malley for the office he holds and in return Mr. O'Malley delivered the fishing grounds of Alaska over to the trust. At this banquet, while surrounded by his masters, the Commissioner of Fisheries told them just why he had abrogated all public rights of fishery in the interest of the trust in the following language:

In regulating the fisheries the bureau had three possible courses of action: First, to stand by while the fish were destroyed; second, to grant permits to all comers, with general restrictions to protect the fish, which would result in operators being reduced to a point of financial disaster; third, to restrict the number of operators, as well as the areas fished, and amount of gear used, seasons of fishing, etc.

And thus in determining to apply the second method mentioned, which is the method compelled by law, by all court decisions, and by our constitutional guaranty of equal opportunity, an insurmountable obstacle arose, namely, the investment, and so the commissioner set aside all human rights and decided in favor of the investment.

We wonder just how long this autocratic arrogance on the part of bureau chiefs is to continue and how long Congress is going to tolerate this usurpation of powers which are delegated only to parliamentary bodies.

#### SUPREME COURT ON DEPARTMENT'S ACTION.

I herewith submit the opinion of the Supreme Court of the United States on this subject as expressed by Mr. Justice Matthews in the case of *Wick v. Hopkins* (118 U. S. 356):

When we consider the nature and the theory of our institutions of government, the principles upon which they are supposed to rest, and review the history of their development, we are constrained to conclude that they do not mean to leave room for the play and action of purely personal and arbitrary power. \* \* \* For the very idea that one may be compelled to hold his life or the means of living, or any material right essential to the enjoyment of life at the mere will of another seems to be intolerable in any country where freedom prevails as being the essence of slavery itself.

#### SETTLEMENT OF INDEBTEDNESS OF THE REPUBLIC OF FINLAND.

The SPEAKER. The Chair is informed by the gentleman from Georgia [Mr. Crisp] that the amendment inserted at the last moment was, after all, unnecessary and should not have been there, and therefore he asks unanimous consent that the House vacate the proceedings by which that passed in order that the amendment may be removed. Is there objection? [After a pause.] The Chair hears none. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected. The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

#### APPROPRIATIONS—TREASURY AND POST OFFICE DEPARTMENTS.

Mr. MADDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6349, the Treasury and Post Office Departments appropriation bill,

#### DECISION SUPREME COURT OF THE UNITED STATES—BRANCH BANK CASES.

Mr. WINGO. Will the gentleman withhold that for a moment?

Mr. MADDEN. I will.

Mr. WINGO. Mr. Speaker, the decision of the Supreme Court of the United States recently in the so-called Branch Bank cases is of a great deal of interest, 11 different States being interested in it, and I ask unanimous consent to print in the Record that decision and that it be printed in 8-point type, because there are some citations in it.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to print in the Record, in 8-point type, a recent decision of the Supreme Court in the case referred to. Is there objection? [After a pause.] The Chair hears none.

#### BRANCH BANKING.

Mr. WINGO. Mr. Speaker, the recent decision of the Supreme Court of the United States is of great interest not only to the banks but to the States, 15 States having appeared at the argument of the case, and under leave granted I insert it in the Record.

The matter referred to is printed as follows:

Supreme Court of the United States.

(No. 252.—October Term, 1923.)

First National Bank in St. Louis, plaintiff in error, v. State of Missouri, at the information of Jesse W. Barrett, attorney general. In error to the Supreme Court of the State of Missouri.

[January 28, 1924.]

Mr. Justice Sutherland delivered the opinion of the court.

The State of Missouri brought this proceeding in the nature of quo warranto in the State supreme court against the plaintiff in error to determine its authority to establish and conduct a branch bank in the city of St. Louis. The information avers that the bank was organized under the laws of the United States and was and is engaged in a general banking business in that city at a banking house, the location of which is given; that, in contravention of its charter and of the act of Congress under which it was incorporated, it has illegally opened and is operating a branch bank for doing a general banking business in a separate building several blocks from its banking house, and proposes to open additional branch banks at various other locations; and that this is in violation of a statute of the State expressly prohibiting the establishment of branch banks. The prayer is that upon final hearing the bank be ousted from the privilege of operating this branch bank or any other. A demurrer to the information was interposed and the cause thereupon submitted. The contention of the State was upheld and judgment rendered in accordance with the prayer. (— Mo. —.)

The correctness of the judgment is challenged under numerous specifications of error presenting Federal questions, which, for the purposes of the case, may be considered under two heads: (1) Whether the State statute is valid as applied to national banks; and (2) whether a proceeding to call a national bank to account for acts of the kind here alleged may be maintained by the State, and whether the form of remedy pursued is sustainable.

First. The Missouri statute (sec. 11737, R. S. Mo. 1919) provides "that no bank shall maintain in this State a branch bank or receive deposits or pay checks except in its own banking house." That the facts alleged in the information bring the case within that part of the statute which prohibits the maintenance of branch banks and that the statute applies to national banks is conclusively established by the decision of the State court, and we confine ourselves to the inquiry whether, as thus applied, the statute is valid.

National banks are brought into existence under Federal legislation, are instrumentalities of the Federal Government, and are necessarily subject to the paramount authority of the United States. Nevertheless, national banks are subject to the laws of a State in respect of their affairs unless such laws interfere with the purposes of their creation, tend to impair or destroy their efficiency as Federal agencies or conflict with the paramount law of the United States. (*National Bank v. Commonwealth*, 9 Wall. 353, 362; *Davis v. Elmira Savings Bank*, 161 U. S. 275, 283.) These two cases are cited and followed in the later case of *McClellan v. Chipman* (164 U. S. 347, 357), and the principle which they establish is said to contain a rule and an exception, "the rule being the operation of general State laws upon the dealings and contracts of national banks, the exception being the cessation of the operation of such laws whenever they expressly conflict with the laws of the United States or frustrate the purpose for which national banks were created, or impair their efficiency to discharge the duties imposed upon them by the law of the United States." (See also *Waite v. Dowley*, 94 U. S. 527, 533.) The question is whether the Missouri statute falls within the rule or within the exception.

Does it conflict with the laws of the United States? In our opinion, it does not. The extent of the powers of national banks is to be measured by the terms of the Federal statutes relating to such associations, and they can rightfully exercise only such as are expressly granted or such incidental powers as are necessary to carry on the business for which they are established. (*Bullard v. Bank*, 18 Wall. 589, 593; *Logan County Bank v. Townsend*, 139 U. S. 67, 73; *California Bank v. Kennedy*, 167 U. S. 362, 366.) Among other things the Federal law (R. S. § 5154) provides that the organization certificate of the association shall specifically state "the place where its operations of discount and deposit are to be carried on, designating the State, Territory, or District and the particular county, city, town, or village." By another provision (R. S., § 5190) it is required that "the usual business of each national banking association shall be transacted at an office or banking house located in the place specified in its organization certificate." Strictly, the latter provision, employing, as it does, the article "an," to qualify words in the singular number, would confine the association to one office or banking house. We are asked, however, to construe it otherwise in view of the rule that "words importing the singular number may extend and be applied to several persons or things." (R. S., § 1.) But obviously this rule is not one to be applied except where it is necessary to carry out the evident intent of the statute. (See *Garrigus v. Board of Commissioners*, 39 Ind. 66, 70; *Moynahan v. City of New York*, 205 N. Y. 181, 186.) Here there is not only nothing in the context or in the subject matter to require the construction contended for, but other provisions of the national banking laws are persuasively to the contrary.

By section 5138, Revised Statutes, the minimum amount of capital is fixed in proportion to the population of the place where the bank is located. If it had been intended to allow the establishment by an association of not one bank only but in addition as many branch banks as it saw fit, it is remarkable, to say the least, that there should have been no provision for adjusting the capital to the latter contingency or for determining how or under what circumstances such branch banks might be established or for regulating them. Section 5155, Revised Statutes, provides that it shall be lawful for a State bank "having branches, the capital being joint and assigned to and used by the mother bank and branches in definite proportions, to become a national banking association \* \* \* and to retain and keep in operation its branches \* \* \* the amount of circulation \* \* \* to be regulated by the amount of capital assigned to and used by each." This provision, confined by its terms, as it is, to existing State institutions, may be fairly considered as constituting an exception to the general rule, and the presence of safeguarding limitations in the excepted case, with their entire absence from the statute otherwise, goes far in the direction of confirming the conclusion that the general rule does not contemplate the establishment of branch banks. This apparently was the interpretation of Congress itself, since in two instances at least special legislation was deemed necessary to allow the establishment of branch banks, viz, at the Chicago Exposition in 1892 (ch. 71, 27 Stat. 33) and at the St. Louis Exposition in 1901 (ch. 864, 31 Stat. 1444, sec. 21), the existence of the branch bank in each instance being expressly limited to the period of two years.

The construction of the executive officers charged with the administration of the law has been, with substantial uniformity, to the same effect, and in this view the Department of Justice, in a well-considered opinion, rendered May 11, 1911, concurred. (*Lowry National Bank—Establishment of branches*; 29 Op. Atty. Gen. 81.) (Our attention is directed to a later opinion of the Attorney General, dated October 3, 1923, which, although in terms affirming the earlier opinion, announces a limited rule which does not seem to be in precise agreement with it. To the extent of the disagreement, however, we accept the view of the earlier opinion.)

This interpretation of the statute by the legislative department and by the executive officers of the Government would go far to remove doubt as to its meaning if any existed. (See *Tiger v. Western Investment Co.*, 221 U. S. 286, 309; *United States v. Hermanos y Compañia* 209 U. S. 337, 339.)

But it is said that the establishment of a branch bank is the exercise of an incidental power conferred by section 5136, Revised Statutes, by which national banking associations are vested with "all such incidental power as shall be necessary to carry on the business of banking." The mere multiplication of places where the powers of a bank may be exercised is not, in our opinion, a necessary incident of a banking business within the meaning of this provision. Moreover, the reasons adduced against the existence of the power substantively are conclusive against its existence incidentally; for it is wholly illogical to say that a power which by fair construction of the statutes is found to be denied nevertheless exists as an incidental power. Certainly an incidental power can avail neither to create powers which, expressly or by reasonable implication, are withheld nor to enlarge powers given; but only to carry into effect those which are granted.

Clearly the State statute, by prohibiting branches, does not frustrate the purpose for which the bank was created or interfere with the discharge of its duties to the Government or impair its efficiency as a

Federal agency. This conclusion would seem to be self-evident; but if warrant for it be needed, it sufficiently lies in the fact that national banking associations have gone on for more than half a century without branches and upon the theory of an absence of authority to establish them. If the nonexistence of such branches or the absence of power to create them has operated or is calculated to operate to the detriment of the Government or in such manner as to interfere with the efficiency of such associations as Federal agencies or to frustrate their purposes, it is inconceivable that the fact would not long since have been discovered and steps taken by Congress to remedy the omission.

Second. The State statute as applied to national banks is therefore valid, and the corollary that it is obligatory and enforceable necessarily results, unless some controlling reason forbids; and since the sanction behind it is that of the State and not that of the National Government, the power of enforcement must rest with the former and not with the latter. To demonstrate the binding quality of a statute but deny the power of enforcement involves a fallacy made apparent by the mere statement of the proposition, for such power is essentially inherent in the very conception of law. It is insisted with great earnestness that the United States alone may inquire by quo warranto whether a national bank is acting in excess of its charter powers and that the State is wholly without authority to do so. This contention will be conceded, since it is plainly correct; but the attempt to apply it here proceeds upon a complete misconception of what the State is seeking to do, a misconception which arises from confounding the relief sought with the circumstances relied upon to justify it.

The State is neither seeking to enforce a law of the United States nor endeavoring to call the bank to account for an act in excess of its charter powers. What the State is seeking to do is to vindicate and enforce its own law, and the ultimate inquiry which it propounds is whether the bank is violating that law, not whether it is complying with the charter or law of its creation. The latter inquiry is preliminary and collateral, made only for the purpose of determining whether the State law is free to act in the premises or whether its operation is precluded in the particular case by paramount law. Having determined that the power sought to be exercised by the bank finds no justification in any law or authority of the United States, the way is open for the enforcement of the State statute. In other words, the national statutes are interrogated for the sole purpose of ascertaining whether anything they contain constitutes an impediment to the enforcement of the State statute, and the answer being in the negative, they may be laid aside as of no further concern.

The application of the State statute to the present case and the power of the State to enforce it being established, the nature of the remedy to be employed is a question for State determination, and the judgment of the State court that the one here employed was appropriate is conclusive unless it involves a denial of due process of law, which plainly it does not. We are not concerned with the question whether an information in the nature of quo warranto, according to the general principles of the law, is in fact appropriate. It is enough that the supreme court of the State has so held. (*Standard Oil Co. v. Missouri*, 224 U. S. 270, 287; *Twining v. New Jersey*, 211 U. S. 78, 110-111.) In *Iowa C. R. Co. v. Iowa* (160 U. S. 289, 393) this court said: "But it is clear that the fourteenth amendment in no way undertakes to control the power of a State to determine by what process legal rights may be asserted or legal obligations be enforced, provided the method of procedure adopted for these purposes gives reasonable notice and affords fair opportunity to be heard before the issues are decided. This being the case, it was obviously not a right, privilege, or immunity of a citizen of the United States to have a controversy in the State court prosecuted or determined by one form of action instead of by another. \* \* \* Whether the court of last resort of the State of Iowa properly construed its own constitution and laws in determining that the summary process under those laws was applicable to the matter which it adjudged, was purely the decision of a question of State law binding upon this court." (See also *Louisville & N. R. R. Co. v. Schmidt*, 177 U. S. 230, 236; *Hooker v. Los Angeles*, 188 U. S. 314, 318; *Rogers v. Peck*, 199 U. S. 425, 435.)

The judgment of the Supreme Court of Missouri is therefore affirmed.

A true copy.

Test:

Clerk Supreme Court of the United States.

Supreme Court of the United States.

(No. 252.—October term, 1923.)

First National Bank in St. Louis, plaintiff in error, v. State of Missouri, at the information of Jesse W. Barrett, attorney general. In error to the Supreme Court of the State of Missouri.

[January 28, 1924.]

Mr. Justice Van Devanter dissenting.

I am constrained to dissent from the opinion and judgment just announced.

National banks are corporate instrumentalities of the United States, created under its laws for public purposes essentially national in char-



acter and scope. Their powers are derived from the United States, are to be exercised under its supervision, and can be neither enlarged nor restricted by State laws. The decisions uniformly have been to this effect and have proceeded on principles which were settled a century ago in the days of the Bank of the United States.

In *McCulloch v. Maryland* (4 Wheat. 316), where the status of that bank was drawn in question and elaborately discussed, this court reached the conclusion that the Constitution invests the United States with authority to provide, independently of State laws, for the creation of banking institutions and their maintenance at suitable points within the States as a means of carrying into execution its fiscal and other powers. Chief Justice Marshall there dealt with the respective relations of the United States and the States to such an instrumentality in a very plain and convincing way. Among the other things, he said:

Page 424: "After the most deliberate consideration, it is the unanimous and decided opinion of this court that the act to incorporate the Bank of the United States is a law made in pursuance of the Constitution and is a part of the supreme law of the land."

Page 427: "It is of the very essence of supremacy to remove all obstacles to its action within its own sphere, and so to modify every power vested in subordinate governments as to exempt its operations from their influence. This effect need not be stated in terms. It is so involved in the declaration of supremacy, so necessarily implied in it, that the expression of it could not make it more certain."

Page 429: "The sovereignty of a State extends to everything which exists by its own authority or is introduced by its permission, but does it extend to those means which are employed by Congress to carry into execution powers conferred on that body by the people of the United States? We think it demonstrable that it does not. Those powers are not given by the people of a single State. They are given by the people of the United States, to a Government whose laws, made in pursuance of the Constitution, are declared to be supreme."

In *Osborn v. Bank of the United States* (9 Wheat. 738) there was drawn in question the validity of a State statute which, after reciting that the bank had been pursuing its operations contrary to a law of the State, provided that if the operations were continued the bank should be liable to specified exactions called a tax. The statute was held invalid, the court saying:

Pages 860, 861: "The bank is not considered as a private corporation whose principal object is individual trade and individual profit, but as a public corporation created for public and national purposes. That the mere business of banking is in its own nature a private business and may be carried on by individuals or companies having no political connection with the Government is admitted, but the bank is not such an individual or company. It was not created for its own sake or for private purposes. \* \* \* It is an instrument which is 'necessary and proper' for carrying on the fiscal operations of government."

The later legislation of Congress under which national banks are created and maintained stands on the same constitutional plane. When its validity has been assailed or its operative force in a State questioned the cases just mentioned have been regarded as settling the principles to be applied.

In *Farmers and Mechanics' National Bank v. Dearing* (91 U. S. 29, 31) the court referred to those cases, pronounced their reasoning applicable to the later legislation, and said:

Pages 33, 34: "The national banks organized under the act are instruments designed to be used to aid the Government in the administration of an important branch of the public service. They are means appropriate to that end. \* \* \* Being such means, brought into existence for this purpose, and intended to be so employed, the States can exercise no control over them, nor in any wise affect their operation, except in so far as Congress may see proper to permit. Anything beyond this is 'an abuse, because it is the usurpation of power which a single State can not give.'"

To the same effect are *Easton v. Iowa*, 188 U. S. 220, 230, 237; *Van Reed v. People's National Bank*, 198 U. S. 554, 557; *First National Bank v. Union Trust Co.*, 244 U. S. 416, 425; and *First National Bank v. California*, 262 U. S. 366, 369. Of special pertinence are the following excerpts from *Easton v. Iowa*:

Page 229: "That legislation has in view the erection of a system extending throughout the country, and independent, so far as powers conferred are concerned, of State legislation which, if permitted to be applicable, might impose limitations and restrictions as various and as numerous as the States."

Pages 231, 232: "It thus appears that Congress has provided a symmetrical and complete scheme for the banks to be organized under the provisions of the statute."

"It is argued by the learned Attorney General on behalf of the State of Iowa that 'the effect of the statute of Iowa is to require of the officers of all banks within the State a higher degree of diligence in the discharge of their duties. It gives to the general public greater confidence in the stability and solvency of national banks, and in the honesty and integrity of their managing officers. It enables them better to accomplish the purposes and designs of the general govern-

ment, and is an aid, rather than impediment, to their utility and efficiency as agents and instrumentalities of the United States.'

"But we are unable to perceive that Congress intended to leave the field open for the States to attempt to promote the welfare and stability of national banks by direct legislation. If they had such power it would have to be exercised and limited by their own discretion, and confusion would necessarily result from control possessed and exercised by two independent authorities."

It must be admitted that, in so far as the legislation of Congress does not provide otherwise, the general laws of a State have the same application to the ordinary transactions of a national bank—such as incurring and discharging obligations to depositors, presenting drafts for acceptance or payment, and giving notice of their dishonor, taking pledges for the repayment of money loaned, and receiving or making conveyances of real property—that they have to like transactions of others. But not so of questions of corporate power. As explained in *Easton v. Iowa* and other cases, their solution must turn on the laws of the United States, under which the bank is created.

National banks, like other corporations, have such powers as their creator confers on them, expressly or by fair implication, and none other. (*Thomas v. West Jersey R. R. Co.*, 101 U. S. 71, 82; *Logan County National Bank v. Townsend*, 139 U. S. 67, 73. Powers not so conferred are in effect denied; a prohibition is implied from the failure to grant them. *First National Bank v. National Exchange Bank*, 92 U. S. 122, 128; *California National Bank v. Kennedy*, 167 U. S. 362, 367.) In short, all the powers of a national bank, like its right to exist at all, have their source in the laws of the United States. Only where those laws bring State laws into the problem—as by enabling national banks to act as executors, administrators, etc., where that is permitted by State laws—can the latter have any bearing on the question of corporate power—the privileges which the bank may exercise. (*First National Bank v. Union Trust Co.*, 244 U. S. 416.)

The proceeding now before us is an information in the nature of quo warranto brought in the Supreme Court of Missouri, whereby that State challenges the power of a national bank in the city of St. Louis to conduct a branch bank established by it in that city and asks that the bank be ousted from that privilege on the grounds, first, that establishing and conducting the branch is a violation of the bank's charter powers, and, secondly, that it is prohibited by a law of the State.

It is not claimed that the laws of the United States contain any provision whereby the privilege asserted by the bank is made to depend on the will or legislative policy of the State; nor do they in fact contain any such provision. Whether the bank has the privilege which it asserts is, therefore in no way dependent on or affected by the State law, but turns exclusively on the laws of the United States. If they grant the privilege, expressly or by fair implication, no law of the State can abridge it or take it away. And if they do not grant it, they in effect prohibit it, and no law of the State can strengthen or weaken the prohibition. In either event nothing can turn on the State law. It simply has no bearing on the solution of the question.

In this situation the State is not, in my opinion, entitled to maintain the proceeding. It has no distinctive right to protect nor any applicable law to vindicate or enforce. The proceeding is one which may be maintained only in the public right. Here the State is not authorized to represent or speak for the public. The bank is not a creation and instrumentality of the State but of the National Government. Its presence in the State is attributable to the national power, not to the State's permission. Whether the bank shall be kept within its legitimate powers and made to discontinue any departure from or abuse of them is a matter in which the people of all the States have the same interest, the bank being a national creation and instrumentality. The people of Missouri merely share in the common interest. "In that field it is the United States and not the State which represents them as *parens patrie* when such representation becomes appropriate; and to the former and not to the latter they must look for such protective measures as flow from that status." (*Massachusetts v. Mellon*, 262 U. S. 447, 486.) It therefore is apparent that the State is here mistakenly appropriating to itself a function which belongs to the United States.

In *Tarble's case* (13 Wall. 397, 407), which possessed features making it particularly pertinent here, this court pointed out the distinct and independent character of the National and State Governments within their respective spheres, and in that connection said:

"Neither can intrude with its judicial process into the domain of the other, except so far as such intrusion may be necessary on the part of the National Government to preserve its rightful supremacy in cases of conflict of authority. In their laws and mode of enforcement neither is responsible to the other. How their respective laws shall be enacted, how they shall be carried into execution, and in what tribunals or by what officers, and how much discretion, or whether any

at all, shall be vested in their officers are matters subject to their own control and in the regulation of which neither can interfere with the other."

Another case apposite in principle is *Territory v. Lockwood* (3 Wall. 236). It was a proceeding in the nature of quo warranto brought by the Territory of Nebraska to test the defendant's right to hold a Federal office in the Territory which he was charged with unlawfully usurping. This court disposed of the matter by saying (p. 239):

"The right of the Territory to prosecute such an information as this would carry with it the power of motion without the concurrence of the Government from which the appointment was derived. This the Territory can no more accomplish in one way than in another. The subject is as much beyond the sphere of its authority as it is beyond the authority of States as to the Federal officers whose duties are to be discharged within their respective limits. The right to institute such proceedings is inherently in the Government of the Nation."

With great deference I think the judgment below should be reversed on the ground that the State is without capacity to bring or maintain this proceeding, and the court below without authority to entertain it.

The Chief Justice and Mr. Justice Butler authorize me to say that they concur in this dissent.

#### APPROPRIATIONS—TREASURY AND POST OFFICE DEPARTMENTS.

The SPEAKER. The gentleman from Illinois [Mr. MADDEN] moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the Treasury and Post Office Departments appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6349, with Mr. SANDERS of Indiana in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6349, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 6349) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1925, and for other purposes.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. HASTINGS]. [Applause.]

Mr. HASTINGS. Mr. Chairman, combined in this bill are the appropriations for the Treasury Department and the Post Office Department, \$119,882,205 for the Treasury Department and \$609,976,246.60 for the Post Office Department.

This is an increase for the Post Office Department over the amount carried in the last year of \$24,754,487.10.

The expenses of the Post Office Department are paid from the revenues received from that department, except that the deficit estimated for the fiscal year 1924 of \$28,223,313.67 will be paid from the Treasury.

Everyone knows, of course, that every citizen of the country is deeply interested in the Postal Service, as every citizen is affected. One of the first speeches I made on entering Congress was upon the bill making appropriations for the Post Office Department, early in January of 1916. The bill then carried an appropriation of \$320,509,879. You will see that within eight years the appropriations for the Postal Service have almost doubled. At that time I made some study of the Postal Service, and particularly the rural mail delivery service, in which I have always been most deeply interested.

Congress, by act of March 3, 1893, appropriated \$10,000 to experiment with rural mail service, but the money was not used; another appropriation of \$20,000 was made by the act of July 16, 1894, but this money was not used; and a third appropriation was made June 9, 1896, of \$10,000.

The first experimental service was established October 1, 1896, when three routes were started in West Virginia, when William L. Wilson was Postmaster General. The amount carried for rural mail service in the Post Office appropriation bill pending in January, 1916, was \$53,000,000, and the number of rural routes at that time was 43,878.

This service has expanded until the amount carried in this bill for rural mail service is \$88,250,000.

The hearings disclose that on June 30, 1923, there were 44,312 rural routes. The number of rural routes, however, does not indicate the expansion of the rural mail service within the last eight years, because many routes have been consolidated on account of the use of motor vehicles, so that a much larger number of patrons are served than the number of routes indicate as compared with the number of routes in 1916. This service should be enlarged and expanded.

Upon my being returned to Congress one of the first things I did in December, 1923, was to write a letter to every postal

employee in my district making inquiry as to whether or not the Postal Service could be improved; whether any more routes were needed, advising how petitions should be drawn and roads improved in order to entitle the people in the rural communities to additional postal service, as shown by the following letter:

HOUSE OF REPRESENTATIVES,  
Washington, D. C., December 5, 1923.

DEAR SIR: The Postal Service affects every citizen of the country. One of the first speeches I made in Congress, eight years ago, reviewed the history of postal legislation from colonial times, emphasizing the importance of rural mail service.

I want to cooperate with you in every possible way, both in administering the legislation already enacted and in securing any additional legislation or appropriations necessary to give the people, both in the cities and the country, the benefit of the best mail service possible. The older States have rural mail lines gridironing every community. We must make every effort to have this same service for the second congressional district of Oklahoma.

I trust you will advise the people of the rural communities how to prepare a petition, addressed to the Fourth Assistant Postmaster General, Rural Route Division, Washington, D. C., making application for:

1. Additional rural routes.
2. Extension or changes of present routes.
3. Any other changes for the benefit of the service.

The people of the rural communities, for which new routes are asked, should be advised that attached to the petition should be a map showing the proposed route, the patrons benefited, and, in the event of changes, the additional patrons to be served, and those affected by the proposed changes, if any, and they should also be advised these routes are always inspected and reported upon by an inspector before action is taken by the department here, and the roads must be in a passable condition. The people should be encouraged to work the roads for this purpose prior to a request for an inspection of the route. Have you any applications now pending before the department?

I would be glad also to help in every way possible in bettering the service for the cities and towns and I invite any suggestions which you may have for the betterment of the service.

With best wishes, I am,  
Sincerely yours,

Mr. SEARS of Florida. Will the gentleman yield?

Mr. HASTINGS. I will.

Mr. SEARS of Florida. I know the interest of my colleague in the postal employees and how earnestly and faithfully he has worked for them, and I would like to call the attention of my colleague to a condition I found last year in urging the extension of rural routes and the establishment of rural routes and the need of additional employees in post offices in order that there might not be a congestion, and I received the reply that Congress refused to make the appropriation large enough.

Mr. HASTINGS. I am coming to that very question in a moment.

Mr. SEARS of Florida. I would be very glad if the gentleman will, for I have voted for every appropriation, and I trust this time we have got enough to give the people that to which they are entitled.

Mr. HASTINGS. That is what I am going to deal with and emphasize now.

I found that a number of routes have previously been inspected and approved by the inspector and were pending authorization in the department. I wrote a number of letters to the department urging that these routes in every case be established. In addition I made a personal visit insisting that the routes approved by the inspectors should be authorized. The information which was given by letter to the patrons of the routes, and to myself, and the information given to me personally by the Post Office Department was to the effect that there were insufficient funds to authorize the extension of the rural mail service.

In reply to my letters to the postal employees one of them immediately advised me in December that there was a rural route pending signed by the necessary number of patrons, and had been recommended by the inspector—

but owing to shortage of appropriations for extending this branch of the service it has been delayed indefinitely. I am writing you in the hope that you may be helpful in securing this service for our patrons.

This letter was dated in December, 1923. The letter further states:

The petition was circulated and sent in more than six months ago, and the people are getting extremely anxious that we take the matter up with the view of getting the route.



Similar letters have been received from other places throughout my district. The Fourth Assistant Postmaster General, Mr. Billany, in reply to one of my letters urging that a rural route, for which an appropriation had been made and approved by the inspector, be authorized, after stating that the proposed route was awaiting authorization with a large number of similar cases, stated that—

as the department is not in position to allow extensive increases in the service at this time, no action has been taken, and it is necessary to hold the matter in abeyance until the situation warrants more general additions to service than can be permitted at this time. The needs of the route and the benefits that would result from its establishment are appreciated, however, and we hope that a little later it may be placed in operation.

You will note that the department does not state in so many words that the appropriation is insufficient, but it is the clear inference to be drawn from the language.

In looking up the hearings upon this item I find that there was appropriated for the year 1924 \$86,900,000, and that \$88,250,000 was asked for the coming year.

The hearings further disclose (p. 255) that the Fourth Assistant Postmaster General stated—

we have already in the office, approved and ready for authorization, 496 cases, which have been reported by inspectors

And he further states—

and we have 1,303 extension cases which have been approved.

And on the same page it is further stated—

in addition to that we have now in the hands of inspectors 405 cases that have not been reported on.

The chairman then asked the Fourth Assistant Postmaster General whether he thought the money would be sufficient, to which he replied that he thought it would.

Now, what I am desiring to call attention to, and especially emphasize, is the statement made by the Fourth Assistant Postmaster General (p. 255) with reference to the expenditure of the appropriation for this purpose for the fiscal year ending June 30, 1923, in which he states:

We have been curtailing this appropriation for two years in order to go along with the President in his plan of trying to balance the budget.

And further on he states:

We turned in an unexpended balance of \$782,375 in 1923, which we could very well have used to establish meritorious routes.

Mr. Chairman, it is not my purpose to make a partisan speech. I want to offer constructive criticism. I want to say that the action of the Post Office Department in withholding money appropriated by Congress and not giving the rural population of this country additional mail service is entitled to the severest criticism and should be brought to the attention of the people of the country.

These records show that meritorious applications for routes have been reported upon by inspectors and were pending authorization by the department, yet the money appropriated by Congress has been withheld and unexpended.

As you know, I represent in part a new State, admitted November 16, 1907. We are greatly in need of additional rural mail service, and in my judgment there can be no better expenditure of the postal revenues than in giving to the rural communities the additional mail service they so much need. The question that arises in my mind is whether or not the money appropriated for the fiscal year ending June 30, 1924, is being withheld unexpended when meritorious applications for rural routes are pending, as they were on June 30, 1923.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. HASTINGS. I will.

Mr. TAYLOR of Tennessee. How much has been allowed in this bill further to extend the rural mail service?

Mr. HASTINGS. One million two hundred and fifty thousand dollars.

Mr. TAYLOR of Tennessee. Additional over last year?

Mr. HASTINGS. Yes; but what I am complaining of is that I am afraid that part of the money we appropriate in this bill will remain unexpended as it was for the year ended June 30, 1923, and I am calling attention to the fact that \$792,375 remained unexpended when there were a large number of rural routes approved by the inspectors and could have been and should have been authorized by the Post Office Department.

Mr. TAYLOR of Tennessee. Does the gentleman mean there was money available for that purpose?

Mr. HASTINGS. I mean exactly that; there was \$792,375 remaining unexpended, according to the statement of the Fourth

Assistant Postmaster General before the committee, and I am putting the figures in the Record.

Mr. TAYLOR of Tennessee. What became of that money?

Mr. HASTINGS. It remains in the Treasury unexpended, and the people did not get the routes established.

Mr. MADDEN. Seven hundred and eighty-two thousand dollars, if the gentleman wants to be correct.

Mr. HASTINGS. The chairman is correct. The exact figures, as shown from the record, page 255 of the hearings, were \$782,375 remaining unexpended June 30, 1923.

These hearings show, as above stated, that there was an unexpended balance in the item for rural mail service of \$782,375 on June 30 last. There can be but one conclusion drawn, and that is that those in charge of administering this fund and who are authorized to approve new routes are not in sympathy with it. I am sure that I voice the unanimous sentiment of the Members of Congress when I state that every meritorious rural route, where there are sufficient patrons and where the roads are in good condition, should be established for the rural population of the country.

The authorization of these routes is of great benefit to the people of the country, giving them the same mail facilities enjoyed by residents of cities and towns. It enables them to keep up with current events, market quotations, and enables them to save a great deal of time in going to and from the post office for their mail. If the Fourth Assistant Postmaster General were in sympathy with this rural service and if the amount appropriated for the current year were insufficient he should ask in this bill to have a part of this fund made immediately available or should apply for a deficiency appropriation in order to immediately authorize all routes approved by the inspectors.

The postal employees are honest, faithful, and render efficient service. I favor reasonable increases in salaries for them, and I also favor reasonable allowances for equipment for rural mail carriers. I do not find any provision in the pending bill providing for either, and hence we will not have an opportunity to vote upon it. I trust we may have an opportunity to consider the classification bill at an early date, which provides also for an allowance for equipment.

In practically every speech that I made to the people of my district I invited their attention to this rural mail service and advised them how to get up petitions, and I discussed the benefits of rural mail service. I have promised them to be diligent in an effort to have the very best service given to them that can be obtained, and this I am making an effort to do. [Applause.]

Mr. PAIGE. Will the gentleman yield?

Mr. HASTINGS. I will.

Mr. PAIGE. Does the gentleman understand that there are a great many bills before Congress looking to reclassification of salaries of post-office employees and everything connected with the Post Office Department? It is the hope and the desire of the committee to bring before the Congress some bill looking to a reclassification of salaries so as to correct any inequalities that may exist in the department. The gentleman will have opportunity to come before the committee if he has any complaint, and he can make his statement before that committee which he is now making on the floor.

Mr. HASTINGS. I thank the gentleman, and I shall be very glad indeed to avail myself of that opportunity. You understand I am insisting on the authorization of additional rural mail routes. I also favor reclassification.

Mr. MADDEN. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, yesterday the distinguished gentleman from Massachusetts [Mr. GALLIVAN] quoted in a speech on prohibition from my remarks of January 12 on this floor. It is with regard to this reference to my remarks and to references from certain other sources that I desire to add a few words to the ones I have previously spoken.

No one, Mr. Chairman, has any right to cite anything I have ever said on this subject in support of any contention that the eighteenth amendment is a failure and that for that reason it should be abolished.

I have always opposed the liquor traffic, and shall continue to do so. And I resent being quoted by wet organizations as predicting that the people will demand the repeal of this law when what in reality I did say was, in urging respect for and observance of the prohibition act, that people will in indignation demand its repeal unless we seek promptly to eliminate the hypocrisy and the fraudulent pretense that now is everywhere so deplorably present.

It is this hypocrisy in the law itself as well as in its enforcement against which I protest. Of what benefit is prohibition if we fail to recognize, once and for all, that the citizens

of our United States intended this law and firmly believed this law would effect a complete and an actual prohibition of the use of all intoxicants as a beverage? Or how, I pray, can we aid that great cause by blinding our eyes to the flagrant, the reckless violation of the law, in spirit by the well to do, in the letter by those in humbler walks?

It is with a sincere and deep-felt desire to help the people carry out their avowed demand for real and actual prohibition that I have introduced a bill to amend the law so as to make it applicable to all, and not to grant a technical immunity to a favored few.

The heart of this bill is the section requiring that persons list their liquors, and that such lists be open to inspection by the public.

WILLIAM JENNINGS BRYAN INDORSES BILL.

And I was happy to hear my proposal publicly indorsed at the recent national convention of the Anti-Saloon League in this city by no less an authority on the subject of prohibition than William Jennings Bryan.

And when I spoke of the Anti-Saloon League as being opposed to my proposal I did not include the entire organization, as will be seen from a reference to those remarks. I referred to some of the officials of this organization in my home State of Minnesota. I have nothing to retract, not a syllable. And in so far as these same conditions may obtain elsewhere let us face the facts, all the facts, honestly and without equivocation. Where men descend to the level of the cheap ward politician wearing the mask of prohibition let such men be unmasked. Where we find an organization or a branch of any organization whose avowed purpose it is to make America dry, allowing that organization or branch to be prostituted to playing petty, partisan politics, in direct violation of the unmistakable sincerity and high resolve that characterizes its rank and file, then, gentlemen, let us clean house.

I go still further. I say, if there be any truth in the claim made on all sides, even on this floor, that in specific cases certain officials of the prohibition enforcement units in many of our cities are staging wild liquor parties and growing wealthy by their associations with rum runners and bootleggers let these matters be investigated and the guilty, if such there be, driven out, to restore confidence in those who are charged with enforcing the law.

Mr. LITTLE. Mr. Chairman, will the gentleman yield right there?

Mr. KVALE. I will yield to the gentleman as soon as I am through with my remarks.

Now is the time. Curb the rapidly increasing discouragement and disgust with conditions universally extant; dispel the misgivings as to the efficacy of this, the people's law; restore in it their confidence, stiffen their upper lips. Sincere and unified effort will do it.

I deem it eminently proper at this point to voice my warm admiration of an organization that at all times has, by virtue of its example and its untiring effort, been a notable factor in the struggle against the liquor interests. I refer to the Woman's Christian Temperance Union. Let their vision, their dissociation from all unwholesome influences, political or financial, be an inspiration to all other organizations, as well as to individuals.

LONG COOPERATION WITH ANTI-SALOON LEAGUE.

I have fought shoulder to shoulder with the Anti-Saloon League for more than a quarter of a century, in the pulpit and on the platform. And those who recall the bitter local option battles in many counties and communities well know that they were not the most pleasant of experiences.

I hope to see the day when all the various branches of this organization can be entirely purged of all political influence and the vast army of noble men throughout the Nation continue their fight for the upbuilding of Christian manhood.

I appeal to all who are interested in enforcing the eighteenth amendment, I appeal to all who stand for decency and purity—and I know the many Members of this House who have stood for a clean Nation will join in my appeal. Let us clean house; let us come before the Nation with clean hands. Then shall we have a dry and a law-abiding America. [Applause.]

Now, I yield to the gentleman from Kansas.

Mr. LITTLE. The gentleman called attention to the drinking parties of alleged prohibitionists and those who are supposed to be law enforcers, and I think his statements were quite right. The gentleman said they ought to be prosecuted. The gentleman knows, of course, that the antiprohibitionists do the same thing?

Mr. KVALE. Yes; and much worse.

Mr. LITTLE. Does not the gentleman think he ought to sound a note of alarm about that, too?

Mr. KVALE. I have continually done so, but I insist that it breeds disrespect for the law if it can be claimed with any show of justice that the people who are supposed to enforce the law are defying the law.

Mr. LITTLE. Does not the gentleman think he ought to call attention to the other fellows, too?

Mr. KVALE. I have done so.

Mr. LITTLE. Not in this speech.

Mr. KVALE. I did not think it necessary. I called attention to that in my speech of January 12. I called attention then to the way the rich are wallowing in liquor. Does the gentleman recall that?

Mr. LITTLE. I did not hear that part of it, but I am glad the gentleman did so.

Mr. KVALE. I did so, just as strongly as the gentleman can express his disgust at these people who are wallowing in liquor. I yield to no man in this House or any other place in my condemnation of wild liquor parties and drunken revelries, whether the guilty ones be officials of the Government or private citizens.

Mr. LA GUARDIA. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. LA GUARDIA. If it is universally known that these parties are involved in this illegal traffic in liquor, why do not the authorities mentioned do something with those facts?

Mr. KVALE. That is what I say. Why not have an investigation to get those facts?

Mr. LA GUARDIA. Does the gentleman think it is necessary to have an investigation to establish facts that are absolutely known?

Mr. KVALE. We must establish the facts. The charges are made, but they can not of course be accepted as facts until they are proven to be.

Mr. LA GUARDIA. Does not the gentleman know that about a million bottles of booze are consumed in this country every day?

Mr. KVALE. I do not.

Mr. LA GUARDIA. Does the gentleman think the quantity is any less?

Mr. KVALE. I do not know.

Mr. LA GUARDIA. Now, if that is so, does not that show a great deal of laxity or connivance in guilt on the part of the officials who are supposed to enforce the law?

Mr. KVALE. Yes; if it can be proved.

Mr. ALMON. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. ALMON. Does the gentleman state that as a fact?

Mr. LA GUARDIA. I have been reading the very interesting articles of the director of prohibition that appear in the metropolitan papers, and he says it is an established commerce; and having made the figures and making the calculation, I should say that a million bottles a day is rather conservative.

Mr. LITTLE. What does the gentleman from New York want to do about it?

Mr. LA GUARDIA. If we are going to have enforcement, let us have enforcement; and if this law can not be enforced, then let us admit the fact. I would like to see tried the experiment of prohibition for one year in this country to see how it works.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 30 minutes to the gentleman from Nebraska [Mr. SHALLENBERGER].

The CHAIRMAN. The gentleman from Nebraska is recognized for 30 minutes.

Mr. SHALLENBERGER. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. SHALLENBERGER. Mr. Chairman and gentlemen, I wish to direct my remarks to the agricultural situation that is facing the Nation, and more particularly the western portion of the country. I want to discuss it as dispassionately and as unprejudicedly as I may. And to show the gentlemen on that side of the Chamber how nonpartisan I am, I will say that I have lived for 35 years with the Republican River running right through my ranch, and I have never wanted to move away from it.

It is well known that manufacture, transportation, and labor is each experiencing a period of tremendous prosperity, because of the extremely high prices being paid for the things they have to sell. On the other hand, agriculture, the fourth great industry of the Nation, is facing as serious a situation as it has ever known, because of the very low prices paid for the products of the farm. The President recognizes the



economic distress that disturbs agriculture by making the financial condition of the farmer the subject matter of his first message to Congress upon a specific subject. While calling attention to the acute agricultural situation that has resulted in bank failures and bankruptcy all over the farming sections of the country, he did not go to the bottom of the matter and discuss the basic causes that have led to this deplorable change in the condition of the people engaged in the great industry of farming. For it is a very marked change that has come over the circumstances of these people. Only a few years ago the farmer was universally admitted to be the most prosperous man in all the world.

But yesterday the word of Caesar might have stood against the world; now lies he there and none so poor to do him reverence.

Only a few years ago farm lands were considered the safest investment for the people's money. They will not burn up nor blow away. They can not be lost nor stolen. If properly cared for, they will be just as productive in a thousand years from now as they are to-day. Only a short time ago farm loans were generally rated as the highest class of securities to be found in the credit markets of the world. Only the other day the banker considered the farmer his best depositor, his safest borrower, and most profitable customer. If anyone had been asked, "Where is the commercial heart of America; where is the greatest market in all the world for the myriad products of the industries of the Nation?" he would have instantly answered, "In the great agricultural regions that lie to the westward of the Allegheny Mountains. In the great central valleys of the Mississippi and Missouri and the regions adjacent to them."

What has brought about the present deplorable conditions that confront the farmer? Is nature at fault? Is the farmer to blame? A Scotch sage once said: "The wealth of the farmer is in the weather." Out there in the West the climate has not changed. They possess the same rich and fertile soil. The same hard-working, thrifty, intelligent, and saving people live upon the land and farm it with an industry and skill that can not be matched in any other land upon earth.

Nature is just as kind to them as she has always been. Their cribs and granaries are full. Their flocks and herds increase. Their hogs and cattle multiply and respond to feed just as surely and as wonderfully as they have always done.

No, the farmer's troubles can not be laid at the door of Mother Nature, for she is the fairest mother in all the world. She plays no favorites. She will do just as much for me as she will for Ford or Rockefeller or Morgan. When it comes to producing crops upon the land or livestock in the fields the plainest farmer can compete with the richest man in all the world and beat him in the contest. It is the one business that I know where brains and industry count for more than money.

A famous British farmer was once told that an English statesman had said that if he would quit fooling with farming and cattle raising and go in for politics he had brains enough to become Prime Minister of England. The farmer replied, "You tell his lordship that there are a hundred men in England who have brains enough to be Prime Minister where there is one who has sense enough to improve the cattle of these islands."

Since neither nature nor the farmer is at fault, what is the difficulty? It is because the farmer struggles against an economic tide whose every current has been turned against him, and unless it is stemmed and turned aside the farmer will be overwhelmed in the rising sea of bankruptcy. The four horse-men of the apocalypse that afflict agriculture are high taxes, high freight rates, high tariffs, and excessive profits.

Criticism has been constant from certain quarters in the Congress because farmers are seeking relief through congressional action. The farmer is not asking for governmental favors, but he is going to insist upon a square deal. And if he does not receive it from this Congress he is going to see to it that he shall from the succeeding Congress.

Manufacture, transportation, and labor have already been taken care of by congressional legislation. Manufacture has been given the protection of a tariff that reaches down into the pockets of the people and levies upon them an annual toll of \$3,000,000,000 and bestows it upon those who are the beneficiaries of the law. The railroads enjoy returns under the Esch-Cummins law even greater than those accorded them at the peak of war-time prices. Labor, behind the shelter and shield of a restrictive immigration law, is secure in possession of the highest paid and richest labor market in the world. Why should gentlemen complain that agriculture now comes and asks for a few crumbs that may fall from the table where those more favored feast?

That agriculture suffers is evident on every hand. Figures given out by the Agricultural Department only the other day

show that of 2,200,000 farmers reporting, more than 500,000—a fourth of them—were bankrupt. These reports were from 12 of the greatest agricultural States of the North.

Economic conditions such as those I have referred to and the reasons for them are beginning to be well understood throughout the West. The people who farm in those regions are intelligent and understanding. They have the highest standard of education and the lowest percentage of illiteracy of the people of any portion of the Republic. They know that the high taxes that trouble the farmer are not the income taxes that Mr. Mellon talks about. The income tax is the fairest tax that can be levied, because unless you have an income you do not pay the tax, and the farmer now has no taxable income. But tariff taxes and high railroad rates and excessive profits he can not escape, try as he may. The tariff taxes about everything he has to buy and the railroad taxes everything he buys and everything he sells. The result has been an enormous advance in prices for everything he needs in the operation of his farm and a ruinous fall in the prices of everything he sells. The plow with which he tills his field, the lister with which he plants his corn, the seeder with which he drills his grain, and the wagon in which he hauls his products to market now cost him 100 per cent more than they did a few years ago. The gang plow or the two-row lister now costs him \$150 to \$185. The weight of the lister or plow is about 200 pounds. Every ounce of it is iron or steel. The cost of 200 pounds of steel at \$100 a ton is only \$10. The balance of the price of the machines to the farmer is manufacturing cost, freight rates, and profits—mostly profits. But the greatest burden that the farmer struggles under now is excessive freight rates. The farmers of the West produce wheat and corn, pork and beef. The basic price for these staple products is made in the open markets of the world. He sends them eastward across the Atlantic and westward beyond the Pacific, and with them he lays hold upon the gold and silver of the world and sweeps it across these mighty seas and pours it into the lap of American industry. But because his market is beyond the seas the farmer has but little left for his share after the costs of railroad rates to the seaboard is deducted. The railroads to-day receive more for transporting the farmer's products to his final market than he receives for his year of labor.

I produced something like 10,000 bushels of corn on my ranch in western Nebraska last year. To-day there is a market for every bushel of it at the Atlantic seaboard at \$1 a bushel. If I were to consign it all to an eastern buyer the price for the year's crop at that market would be \$10,000. But the railroad charges would be around \$5,000 for transportation, 50 per cent more than in happier times for the farmer. No business on earth can stand a tax like that unless it can pass it on to some one else, and that the farmer can not do. So the price to me in Nebraska is \$5,000 for the corn that cost the eastern buyer \$10,000, and the same tribute is collected when the western farmer has to buy.

Two-thirds of the price he must pay for the lumber that houses him is freight rates. More than one-half of the price for the coal that warms him is freight rates. Excessive taxes and excessive profits have changed the whole problem of the farmer's life. It used to be that the big problem of the farmer was to make a living. But now the greatest question that confronts him is how he can pay the taxes that are piled upon him. If taxes and profits were not so excessive, the farmer might live on present prices. Six-dollar hogs and 50-cent corn could be endured if the farmer's dollar was worth 100 cents when he came to spend it.

The President suggests that the solution of the difficulty is for the farmer to go in for diversified agriculture. But the problem of profitable agriculture in Nebraska or Iowa, Kansas or the Dakotas, can not be decided by the experiences of a Vermont farmer, even though he be the President of the United States. The character of the soil, climate, rainfall, and markets will determine the crops the farmer can profitably produce in any country. But it is the truth that livestock production combined with grain farming makes for success upon the farm. A few cows can always help a farmer to a living when about everything else fails him. I have always liked cows myself, and I have worked with them and they have worked for me for more than an average lifetime. The cow is the most useful animal ever given to man. The cow has an earning power that is greater than any other animal or machine that the farmer can possess upon his farm. She is like a good note in the banker's safe. A note, if it is a good one, will work for the banker, night and day, week days and Sundays, rain or shine. If pay day is distant enough, it will work for him throughout every season of the year. I always tell my banker that I like to give him my note in the fall and

have it come due in the spring. It makes the winter seem so short.

And so with the faithful cow. She gathers the grass from the field and turns it into milk and beef for the farmer. Like the note, she works for him night and day, in season and out of season. And if he takes care of her as he should she will keep continually putting money in his pocket. The greatest market for dairy products in all the world is the city of London and the British Isles. But, nevertheless, agriculture is as depressed in Great Britain as here. The skill of the British farmer has developed most of the farmers' breeds of cattle. The principal British breeds of dairy cattle are the Jerseys, Guernseys, Alderney, Ayrshire, and the Shorthorn. But 75 per cent of all the milk produced in the British Isles is the product of the Shorthorn cattle. I grow Shorthorn cattle myself and have done so for a lifetime. Others say I have a good herd of Shorthorn cows, but good as they are and work as faithfully for me as they do, they can not—

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. SHALLENBERGER. I shall be glad to yield when I get through.

As you know, they are good cattle and they work for me; they are working for me right now. It is winter out there now, but they go out every day into the stalk fields, after the men on the farm have gathered the corn, and they are eating those stalks that would otherwise go to waste, and they are turning them into money for me. But work as hard as they can they can not keep ahead of this depression that has stricken agriculture.

Each year those cows of mine cover the hills with big, lusty calves. Night and morning they fill the pails with foaming milk; but when, at the end of the year, I invoice my farm to determine if I have anything to pay my taxes with I find that the depreciation in the value of the herd has been greater than their earning capacity for the entire year. So even a good cow can not save a man who is engaged in the farming business under present conditions.

I will give you an illustration showing that even the best of cows can fail. I sometimes show my cattle at the fairs and expositions throughout the country. A few years ago—to be accurate, about four years ago—a red and white heifer calf was born on my ranch. I said to the boys, after looking at it, "If she is as handsome after she is grown as she is now she will some day be the queen of her kind." So I named her "Supremacy," and she lived up to her name. Beginning three years ago, year after year she won championships all over the country from Illinois to Dallas, Tex. At one show after another she walked through the show yards of the country and came forth a champion. Because I was coming to Congress this fall I knew I would not be able to show her, so I sold her to a gentleman in Missouri. He has continued to show her, and she has repeated her past performances; she has kept on winning for her new owner as she did for me.

In December last there was held in Chicago, the home of the distinguished chairman of the Committee on Appropriations [Mr. MADDEN], the greatest livestock show in all the world—the International Livestock Show—where cattlemen from all over the world gather to see that wonderful show of cattle and improved livestock. Here I have a copy of the Yearbook of the Shorthorn World, and in it is an account of this international show. In it there is also a picture of the champion Shorthorn herd, and at the head of the cows in that herd stands Supremacy. I read this beneath the picture:

She is the best-known cow in America to-day, having won more grand championships than any other cow now living.

She is a good, honest cow, a good Democratic cow, but perfect as she is, having responded to my efforts as she did, and although she has beaten everything else, she could not beat this agricultural depression, for I refused three times as much for her when she was a year old as I got for her last summer, when she had become the champion of the world.

And let me say in passing that diversifying by dairy farming may turn out to be dangerous for the party nominally in control of this House, for the States of Wisconsin and Minnesota have been raising the very dickens with the party on that side of the House, and Minnesota and Wisconsin are the greatest dairy States in the Union. Daily contact with dairy cattle seems to make for independence among farmers in more ways than one.

You know they used to tell us out there—and I used to think it true—that the hog was the surest bet for the corn farmer; that the hog was the mortgage lifter, the rent payer; but under present conditions both the hog and the farmer know when they have had enough. The more hogs the farmer fattens the worse off he is, because this thing they have named over-

head seems to get him going and coming. I do not know just what overhead is, but I do know that while feeding \$15 worth of corn to a \$12 hog will fatten the hog—as it always has done—it does not fatten the farmer's bank account.

I went to call on a neighbor before I came here and found him feeding his hogs out of a pile of corn, as farmers do in that country. He stood with his back to the lot and was throwing the corn over his shoulder. I said to him, "Why do you feed your hogs in that strange manner?" He replied, "I have lost so much money feeding high-priced corn to low-priced hogs that I can not look a hog in the face any longer, so I have to feed them backward." [Laughter.]

Gentlemen, this condition is beginning to find voice throughout the press of the West. I want to read you an extract taken from the Lincoln (Nebr.) State Journal, which is a Republican paper and published at the capital city of Lincoln. It comments upon the injustice of the legislative favors granted the railroads in comparison with the conditions that the farmer is struggling against.

I attended the meeting of the railroad magnates at the Willard not long ago; it was a railroad transportation conference, and I heard the presidents of two of the great transcontinental railroads suggest that they should be allowed to reduce freight rates 25 per cent on coast-to-coast traffic and require the farmers in the Middle West to make it up to them because of the competition of the Panama Canal. This satisfied me that when by the passage of the Esch-Cummins law you killed competition you destroyed the only possibility of reducing freight rates unless you should change the law. Here is what the Lincoln Journal said:

#### HAVE TO AND CAN.

The railroads have been able to prove by mountains of figures that they can not afford to reduce freight rates on agricultural products. But when Panama Canal traffic begins to cut into their westbound coast-to-coast traffic they find they can cut rates on that business a full 25 per cent. They are now before the Interstate Commerce Commission asking permission to make this reduction.

If the farmers had been asked last year whether they could sell their wheat at 90 cents a bushel and their hogs at \$5.50 per hundred-weight, they would have known it to be impossible. They could have proved by statistics which nobody could controvert that it would mean ruin to every one of them. But the farmers were given no say about it. They were entitled by no law to receive a "reasonable return on their investment." They had to take 90 cents for their wheat whether they could stand it or not. Had there been a commission to establish remunerative rates for farmers, there isn't much doubt that nothing short of \$2 wheat and \$10 hogs could have figured out a just return.

That is the opinion of a newspaper. I want to show you the reaction of an individual Republican farmer in Nebraska to present agricultural conditions. This article was published in the World-Herald, an Omaha (Nebr.) daily:

There has been forwarded this newspaper a letter from Milton E. Alles, treasurer of the Republican National Committee, to a Nebraska farmer, asking for financial assistance. It carries this amazing plea:

"The election of a Republican President, to which we confidently look forward, will be of little avail if we fail to give him a Congress of his own party. Our particular function will be to see that the importance of electing a Republican Congress is not overlooked. We must have funds to conduct our campaign, and we hope you will make us a contribution at this time. Won't you please send us a check?"

This was not addressed to anybody in the oil business. This was simply addressed to a Nebraska farmer, and here is what he replied:

My check this time will go to the Democrats—

[Applause.]

even if their ticket is Governors Al Smith and Charley Bryan. That shows you how mad I am. The party of my fathers has bunced me for the last time and profited by the last check and last vote it will ever get from me. Hereafter, so far as I am concerned, it can get its votes and its slush funds from those to whom it gives its favors—the big-money and industrial interests. I have been forced to notice that we never get any legislation beneficial to the plain people except from a Democratic President and Congress. And whenever tariffs are raised or the taxes of the rich reduced, it comes from a Republican President and Congress.

It seems like they take Coolidge's election for granted; I guess they think that Henry Ford throwing in with Mellon and Morgan and Rockefeller is enough to put him across. Maybe so; but why they should figure there is so much as a fighting chance to elect another Republican Congress, even if I sent them a check, is more than I can figure out. The last Republican Congress, and as much as we have seen of this one, is enough to make even the best Republicans sick. For



my part, I'm so sick that the tall is going to go with the hide; and I'm going to work for a Democratic President and Congress both.

Mr. Chairman and gentlemen, excessive railroad rates, excessive tariff taxes and excess profits make up a bigger burden than the farming industry can long endure. Railroad rates and profits are direct taxes but the tariff is none the less burdensome because it is levied indirectly. My understanding of the results that follow from a tariff tax has never changed since it was first explained to me many years ago by a distinguished Republican in the city of Peoria, Ill., near where I was born.

Those of you who are old enough will recall that in 1876 James G. Blaine was the idol of the Republican Party. He was a candidate for the presidential nomination of his party in the convention held at Cincinnati that year. His name was placed in nomination before the convention by Robert G. Ingersoll, of Illinois, then a famous political orator in a speech known as the plumed knight speech, said by those who heard it to have been the most eloquent speech they ever listened to in a political convention. But the great speech did not nominate Mr. Blaine. The party was about as badly divided then as it is now, and the convention wound up with the nomination of Rutherford B. Hayes. Mr. Ingersoll did not like the result. He paid but little attention to party politics afterwards. At that time a man went to him in Peoria and said to him, "Mr. Ingersoll, I can not understand the tariff. It is too deep for me. But you have the gift of language. You have directness of speech. You have the ability to state a thing so simply and so clearly that anyone can understand what you mean. I wish you would explain the tariff to me." Mr. Ingersoll said, "My friend, I can explain it to you best by telling you a little story. There was once an old man named Uncle Sam who had quite a numerous family of boys. The oldest of his sons he named Agriculture. The strongest, the most industrious, he called Labor. And a great big hungry boy that could never get enough to eat, he named the Consumer. And so he kept naming his different children until his youngest son was born, the Benjamin of the family, and he named this promising infant, Industry. And Uncle Sam looked at little Industry and said he is not as big and strong as his brethren and so I will have to feed him better than I feed them, and that I may feed him more I will feed them less. And so he began to rob Agriculture of a part that he earned by toil out of the land. He took away from Labor a portion of that which he achieved by the strength of his strong arm, and he robbed Consumer of a lot that belonged to him, and from the portions that he took from his elder brethren he mixed an infant food and called it the tariff. Under the inspiration of this marvelous food the child began to grow, and he grew very rapidly. And the first thing Uncle Sam knew here was his head sticking out of the cradle at one end and his feet at the other end, and Uncle Sam looked at him and said I don't need to rob his brethren any longer to feed this big fellow, we will let him take care of himself. And instantly the child showed he could do so. He stood upon his feet. Behold! he had grown bigger than his father. The infant Industry had become the giant monopoly, and he shook his fist at Uncle Sam and said, 'Old man, you keep on feeding me just as you have done, or I'll knock your head off.' And, concluded Mr. Ingersoll, "Uncle Sam has been feeding him ever since at the expense of his brethren."

Gentlemen, the prosperity that others enjoy can not long endure if agriculture languishes and dies. Manufacture can not live upon itself. It must sell to those who do not manufacture. Finally, the civilization of the world depends for its preservation upon a successful and prosperous agriculture. The fate of Russia is in the hands of the farmers of that great country.

It is the farmers of the rest of Europe that are keeping that continent from going over to the Bolshevik. That American commercial supremacy shall be permanent it is necessary that agriculture shall be prosperous. The farmer is still the foundation of us all. Like Atlas of old he bears the very world upon his back. And though at times bowed down by weight of woe because of panics and disasters that others bring upon the country, yet after these things roll by if you will but give him a little profit in his business, give him a little of the legislative justice he is entitled to, so rarely asks for and still more rarely gets, give him a price for his products that will enable him to pay the notes he already owes, not a chance to go deeper in debt, the farmer will stand again erect and when he rises he will lift the entire business fabric of the Nation and support it safely upon his broad shoulders. [Applause.]

I yield back, Mr. Chairman, the balance of my time.

Mr. FRENCH. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. LaGUARDIA].

Mr. LaGUARDIA. Mr. Chairman and gentlemen, we had a very interesting day yesterday. The distinguished gentleman from Massachusetts repealed the eighteenth amendment. It was put back into the Constitution to-day by the gentleman from Minnesota, and then we had the entertaining and charming gentleman from Massachusetts yesterday take the *Shenandoah* and sail it around the North Pole, plant the flag there, and safely land her back at Lakehurst.

With your permission, if I may, I would like to say a few words about the bill and the appropriation under consideration. A great deal has been said in the last two or three years about the Budget system, and I have heard it praised and lauded and have heard it stated that we are operating under a real Budget. Let us now see whether we have a Budget system or not, and let us see whether, as the appropriating body, the legislative branch of the Government really has anything to say about budget making at this time. I want to say at the outset that we are, indeed, fortunate in having as chairman of this committee the distinguished gentleman from Illinois [Mr. MADDEN], and if I were asked what sort of a system we were operating under I would say we have a semibudget system and "MARTIN MADDEN." It is the only hope we have just now that we have Mr. MADDEN, who looks after appropriations and keeps the House informed as far as he is able as to what is being done. But with the exception of the efforts of the distinguished chairman of this committee, gentlemen, you are not appropriating; you are not making the Budget. The Budget is being made by the Budget Bureau, and we are simply asked to rubber stamp what comes down. [Applause.] Not only that, but instead of tending toward economy it is going to inevitably result in confusion and waste. What happens? Your Budget comes in presented by the Budget Bureau.

It goes before a small subcommittee of the Committee on Appropriations. It usually comes out just as it is presented. You are required to vote upon it, and the committee intrusted with the affairs of the particular department has nothing to say about it. It does not even know what is in the budget, and we can not be guided as to just what legislation the respective committees should report in keeping with the needs of the country.

Take the Committee on Military Affairs and the Committee on Naval Affairs. They know nothing about the details of the Budget covering their respective departments. The first thing the committee knows the appropriation for the year is passed and any project they may have had under consideration is simply lost. Let me give you a specific example. You have appropriations for the post-office committee. I happen to be on that committee. We have before us a reclassification for the employees and we have under consideration a proposition for the increase of salaries for the employees, and here you have made the entire appropriation for the fiscal year regardless of what the committee may have before it. You have provided the funds for 1924-25, and if the committee increases salaries or makes a reclassification of employees, if it makes an adjustment of second-class mail matter rates it will be necessary to pass legislation and come back for an extra appropriation bill, and take up the time of the House to get appropriations. It is legislation by piecemeal.

Mr. BYRNS of Tennessee. Will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. BYRNS of Tennessee. Would the gentleman have the appropriation bills delayed until the committee passes upon these questions?

Mr. LaGUARDIA. Not at all. But if we are to have a budget system, let's have a budget system. We operate under a budget system in New York City. I was a member of the board of estimates. We appropriated for the entire year. The board of estimates is one of the legislative branches of the city government, having control of expenditures and the various city departments. We make our plans for the entire year as to salaries, improvements, public buildings, pavements, acquisition of supplies and materials, and we know exactly what we are going to do, and appropriate for the entire year. That gives you a definite, fixed budget. But if you are going to ignore the committees having charge of the various propositions and various departments of government, and appropriate separately, you lead to confusion and waste.

In the budget system you specify the purpose of each appropriation and you limit the appropriations. You will find here in this bill appropriations in lump sums, appropriations of millions of dollars, and not limited except generally. You have here appropriations for employees; you do not limit the number of the employees or the different grades as you should do in a real budget system. You have the Treasury appropriating

tions of a lump sum for customs service. I am informed that under this system it is possible for an employee of the United States Government to receive three salaries.

Mr. BYRNS of Tennessee. That is not so.

Mr. LAGUARDIA. I will ask the gentleman from Tennessee if that is so. How much does the collector of New York receive? Does not the collector of New York receive a salary as custodian of buildings?

Mr. BYRNS of Tennessee. No; the custodians are allowed no salary. They serve without compensation.

Mr. LAGUARDIA. And the gentleman says the collector receives but one salary?

Mr. BYRNS of Tennessee. The statement made before the committee is that the custodians of buildings are never compensated. They have assistants who are compensated. The custom is to appoint the postmaster or some other Federal official who has an office in the building, and he acts as custodian of the building without compensation.

Mr. LAGUARDIA. Well, before this gets under the five-minute rule let us look into that.

Mr. BYRNS of Tennessee. I know it is true in my own State, and I think it is true all over the United States.

Mr. LAGUARDIA. I want to say that, from my experience on the board of estimates in the city of New York, I feel that the Budget Bureau is useful, but it should receive its estimates from the various departments, and then those estimates should be submitted as received by the Budget Bureau with the bureau's comments to the committees of the House having charge of the various departments. For instance, the Army estimate should be given to the Committee on Military Affairs. The estimate should be studied by the original committee, let us call it, and after it is through it might be sent to the Appropriations Committee if so desired. In that way the committee will know what funds are being appropriated, will know how far they may go into the consideration of legislative bills referred to it for consideration.

Now, the distinguished chairman of the committee, in answer to an inquiry I made two days ago, told me frankly that there was nothing in this bill, in the appropriation for the Treasury Department, to provide for an increased salary for customs inspectors and deputy collectors at the port of New York. These employees have been told that they would receive the increase the coming fiscal year, and no doubt an increase will be given to them, and this was the time to provide for that. You see, it is a waste of time in having the one committee to consider the matter of salaries and another committee appropriations. The appropriation bill is hastily passed on the bureau's say so, and we have to come back with another bill and get more appropriation to meet new legislation.

At the proper time I am going to offer an amendment to the appropriation on page 57, line 5, for the Air Mail Service. The committee has limited this appropriation to \$1,500,000. Had the Committee on Appropriations consulted with the Post Office Committee we would have been in a position to tell it that it is the expectation to develop the Air Mail Service in this country to the fullest extent. Air-mail delivery is the quicker and more economical and the up-to-date way of transporting mail over long hauls and where we have no rail connections. And yet you come in this day and age and appropriate only \$1,500,000 for the entire country and limit it to one line—that of New York to San Francisco. You let it go at that. Now, gentlemen, regardless of what the railroads in this country may desire, we must develop a system of air-mail transportation. The railroads are seeking to do with the Air Mail Service what they have done with the waterways of this country.

Mr. LINEBERGER. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. LINEBERGER. Is not this a repetition of what took place years ago when the Pacific mail lines held up the construction of the transcontinental railroad because they did not want to give up their mail service?

Mr. LAGUARDIA. Exactly; that was wrong and vicious.

Mr. LINEBERGER. Certainly. I agree with the gentleman from New York and cite the case as an example.

Mr. LAGUARDIA. By limiting the \$1,500,000 to this one line, there is not much disturbance, but there are hundreds of points in the United States where air mail should be established and can be established economically. Yet we are tying the hands of the Post Office Department by limiting the appropriation to \$1,500,000. I say this for the Post Office Service, that with the little appropriation it has received to date they have accomplished more than the Air Service of the Army and

the Navy combined, and they have given you a thousand times more for your money than the combined service of the Army and the Navy. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FRENCH. Mr. Chairman, I yield three minutes more to the gentleman from New York.

Mr. LAGUARDIA. They have conserved their equipment, they have the means of training flyers and keeping them trained in a useful pursuit. We might as well use flyers to carry the mail from point to point as to use our flyers making imaginary circles over an Army or Navy air field. I believe we should authorize the Postmaster General to call on the President to designate air lines and then have the President designate the Army and the Navy to carry the mails under the direction of the Postmaster General, and so use our equipment usefully. I am going to offer an amendment at the proper time to increase the air mail appropriation and I hope the committee will give that matter some study between now and the time we take up the bill under the five-minute rule, so that we may give the Postmaster General \$3,000,000 for the coming fiscal year. If we do that, they will be in a position to develop an air mail system which will tend to the development of an aviation industry in this country which should be the greatest in the world, and it will be if only given a chance. [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from New York, [Mr. STENGLE.]

Mr. STENGLE. Mr. Chairman, in view of the shortness of my time I ask unanimous consent to revise and extend my remarks in the Record.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STENGLE. Likewise, I hope that I will not be interrupted by any questions until I conclude my statement.

On January 10, 1924, this House took under consideration the first appropriation bill of this session. At that time my distinguished friend from Illinois [Mr. MADDEN] devoted quite a lengthy period of time in describing the new allocations and fixations of salaries, and the general efficiency system under which we propose to work after July 1. The following day, it may be recalled, I took some exception to voting lump-sum appropriations, fearing the dangers that might lurk around such procedure, and having in mind at that time, as I have in mind now, the danger of committing to the care and keeping of the Chief of the Bureau of Efficiency, Mr. Herbert D. Brown, all of these millions of dollars to be divided into classifications and allocations. More than a hundred men of this House are new Members, and I feel that if, from time to time, any of us possess information that can be made of value to the others in arriving at a definite conclusion, it is our bounden duty to give that information.

A distinguished gentleman from my native State of Virginia in the early days of the history of this country said something to this effect:

I know of no better way by which to judge the future than by the history of the past.

Acting in accordance with that doctrine, I call the attention of the House to the proceedings of the House of Representatives at page 1551, of volume 57, part 2, Sixty-fifth Congress, third session, under date of January 16, 1919, from which I propose to read until my time expires:

Mr. MADDEN. I understand the Bureau of Efficiency is the bureau that has laid out the plans for adjusting the claims of the soldiers under the War Risk Bureau. If the efficiency of the War Risk Bureau is a sample of the knowledge and experience of the man who made the plans, then I am sorry to see an appropriation of \$125,000 contained in this bill for the payment of those who are under his jurisdiction.

I understand that Mr. Brown, the head of the Bureau of Efficiency, last year was getting \$5,000 and that without any authority of law he increased his own salary out of this lump-sum appropriation to \$6,000. I do not see why if we are making a lump-sum appropriation, why we do not specify the men, the positions, and the compensations to be paid to the men in this paragraph. There is no reason on earth why we should permit a man who is displaying so little knowledge in the matter of efficiency as the head of this bureau to fix the compensation of the men who are employed under him. There is no reason why he should be permitted to legislate an increased salary to himself without any knowledge on the part of the Congress.

Why, I understand that Mr. Brown not long ago, in the hearings before this committee, made the statement that I was interested in a scheme for the adjustment of a soldier's allotment and that the person to whom the allotment was made was morally unworthy. I assume



that he meant to convey in his statement the idea that I was doing a thing that I had no right to do. Now, I wish to submit to the House this statement: That every letter that comes to me, either from the wife or the mother or the relative of a soldier who has made an allotment, is taken up by me on the statement made in the letter, and I submit the case to the bureau for adjustment on the assumption that the bureau will make the necessary investigation and act in accordance with the law and the facts. I have no interest in anybody's claim except to see that the claim is properly adjudicated according to the facts and the law and the obligations of the Government, and I think it is a piece of impertinence on the part of Mr. Brown to come before one of the committees of the House, sitting in executive session, and make a statement such as I understand he made about me in connection with this case, about the merits of which I have no knowledge whatever, and then not have the courage to let the statement stand in the record. After he made it and it went into the stenographic record he struck it out, because he did not dare to let the statement stand.

I am unable to say just exactly what Mr. Brown said, but whatever he said it proved that he was impertinent and that he was going beyond all bounds of reason and decency.

Now, why did he make the statement? He said he made the statement because I had criticized the bureau. Am I to be subjected to innuendo, or is any other Member of this House to be subjected to innuendo, by a subordinate employee of the Government because we stand on the floor of the House and defend the rights of those whose sons fought to defend the flag? Are we to be criticized because we insist that efficiency shall be the standard by which we gauge the operations of the various executive departments?

Then there is an interruption, and on down reference is made to the fact that after Brown reflected against the fair name of an honorable wife of a soldier who then was in France, and after his attack upon a colleague in this House, questioning his motive, he showed himself to be so cowardly that he hastened to the stenographer at the conclusion of the hearings in the committee room and struck out every charge that he had made, and Mr. MADDEN had a perfect right, and I glory in his spunk on that occasion, to assail the man who attacked him under those conditions, but, gentlemen, that is the man who is the moving spirit in the Personnel Reclassification Board, concerning whom I have spoken to you before, and in whom I have no confidence whatever for this kind of work. I read further from the remarks of Mr. MADDEN:

I challenge Mr. Brown to make a statement in public that I ever, under any circumstances, either directly or indirectly—and I challenge anybody else not only in connection with the Government, but any man in America, to make the statement—that I have ever been identified with anything that was not clean and decent and right, and I resent not only the impudence but the arrogance of these men who are employed by the Government and who come here to plead for additional appropriations in order that they may increase their own salaries, criticizing Members of this House because they insist that the business of the Government and the allotments to widows of dead soldiers or the wives of wounded soldiers or soldiers who are still alive and not wounded are not given the attention which they ought to be given.

Then the distinguished gentleman from Ohio [Mr. LONGWORTH] interrupted with the following question:

I do not know whether I correctly understand just what statement was made by Mr. Brown that the gentleman has alluded to.

My good friend MADDEN then tells about how this poor woman, who sought an increase in allotment, because of her poverty lived in a neighborhood in which there might, perchance, have been some houses of ill fame, and is accused by this man Brown of being unfit to be represented by her Congressman before our committee. I shall not read more, but I shall extend the matter in my remarks, because I want you to know something about the man who is keeping from us the very things that my colleague from New York [Mr. LaGUARDIA] says are part and parcel of an honest Budget.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. STENGLE. I said in the beginning that I would yield at the conclusion of my statement.

About a week ago I was informed that at the instigation of the Committee on the Civil Service, under a resolution which was adopted by this House at the very beginning of our session, the Personnel Board had forwarded to the chairman of that committee all of the documents and minutes, and so forth, for review. About a week ago, as I say, I was informed that after an expert had reviewed the work of that board he had forwarded to that committee's chairman, Mr. LEHLBACH, a complete and honest review of what is going on. I ask now, in my time, that the chairman of that committee, Mr. LEHLBACH, of New Jersey, produce in our RECORD for our perusal

the report of the expert to whom he referred those minutes in order that before we are asked to vote on any more lump-sum appropriations we can get a fair idea of what kind of work is going on behind the scenes, and concerning which, no doubt, neither the chairman of this committee nor its members have the remotest idea at this time.

Mr. MADDEN. Mr. Chairman, I resent the statement made by the gentleman from New York. He insinuates that there is something wrong being done by the Committee on Appropriations.

Mr. STENGLE. I said that I did not.

Mr. MADDEN. I just understood the gentleman to say that he wants to know what is going on behind the closed doors, and I challenge the gentleman or anyone else in the world to point his finger to anything that we ever do that is not clean and right.

Mr. STENGLE. I will say in reply to the gentleman—

Mr. MADDEN. The gentleman can not drive me off that way.

Mr. STENGLE. I will say in reply to the gentleman from Illinois that I refer him to the stenographer's minutes. I said a moment ago that I did not believe that either he or the members of his committee knew.

Mr. MADDEN. I assume the responsibility and I say that the committee know, and we do not report anything here that we do not know, and I do not propose to allow the gentleman from New York to put any such statement into my mouth or into the mouth of any member of the Committee on Appropriations. We do not propose to allow the gentleman to get away with that sort of stuff.

Mr. STENGLE. I said we, as Members of the House, have a right to know what is going on in that Personnel Board.

Mr. MADDEN. The gentleman has a right to know; but he can not insinuate we are crooked.

Mr. STENGLE. I never did.

My colleague Mr. GALLIVAN very fittingly described my opinion of so-called efficiency when, on January 14, 1919, he said in this House:

It seems an inescapable part of the natural order of things that about every decade some big, new idea should suddenly capture public fancy. For a time it enjoys a startling vogue, and during its destined hour woe be unto him who questions or challenges. Now one thing, then another, but always its pretensions are paraded as something just a little short of a universal panacea for human ills. Then, almost overnight, the illusion collapses or subsides into sober moderation, permitting those remaining sane while the craze was at its flood to venture out of their retreats to hold an orderly autopsy over the remains.

Naturally the big idea possesses a certain merit, else it could not hold public attention. Taking this element of truth for a foundation, thereupon is reared some wonderful and fantastic philosophy that claims everything, cures everything.

An army of suddenly converted zealots sing its praises; the idea swells to the proportions of a crusade, sweeping aside with arrogant intolerance all opposition and purposely perverting and misinterpreting any honest inquiry until one excess after another is committed under the cloak of its pretended virtues. What little merit the idea held at the beginning is tortured by its bigoted followers out of all its original shape or understanding.

Something like this has been the history of the big idea of "efficiency." Some few years ago this new thought of efficiency, with its concomitant, all-embracing philosophy, suddenly projected itself across the people's vision and for a time occupied the center of the stage. Just exactly what the term "efficiency" really meant no one dared press to an answer unless he was willing to be listed as an undesirable citizen and the motives that prompted the inquiry malevolently misconstrued. It is true that some one has aptly defined "efficiency" as doing the right thing at the right time with the least possible effort; and while this definition rings pleasing to the ear, still it throws little additional light upon the subject. The term and its definition could readily be interpreted to suit individual tastes.

Anyway, the idea grew. It became the style. New ideals were invoked, and the Mecca of individual development which marked the superman was to achieve 100 per cent efficiency. No one could say that efficiency was not a good thing; the public voted that it was, and its popularity grew apace. True enough, the country needed to apply its principles. We had grown too loose in our business methods. There was too much waste. The general idea was sound.

But just here is where trouble begins. Because the acknowledged utility of the general idea of efficiency had won approving prominence made it possible to foist on the public all sorts of contraptions, prompted under its fair name. Then, too, so-called efficiency experts without a shred of business experience; self-centered theorists, whose life had spelled failure written large; fakirs, charlatans, and adventurers, each with some plausible sophistry to exploit, now appeared on the scene to persuasively urge some new-fangled efficiency device or

system, certain to save an incalculable amount of time, money, and labor. Efficiency experiments became the order of the day.

As a rule these experiments met with painful failure. Generally speaking, their glib promoters have been discredited and forgotten. The devices and systems they offered were all right in theory, only they would not work in practice. Their memory lingers, however, and in this fact lies danger, because where yesterday the term "efficiency" was a name to conjure with, now, in the light of our unfortunate experiences, with an invasion of efficiency exports, we are just as likely to swing to the other extreme, forgetting the fundamental virtues that efficiency holds and its imperative need in all well-ordered business. But, first, we should have no cloudy conception of its meaning and we should be sane about it. In no quarter is the application of its sober principles more necessary than in the work of the Government, and I propose to briefly review our experiences along the line of efficiency in the administration of Government business. A Bureau of Efficiency in connection therewith is now and for some time has been in operation, and I deem the occasion timely to speak frankly and plainly about its activities because the record of this bureau offers little hope of encouragement to those who long to see Government work conducted on a practical business basis.

The first year some 5 employees were sufficient; last year there was a total of 49. From an annual expense of \$15,000 this cost has jumped to \$100,000, practically all for the payment of salaries. This year it reaches the fine sum of \$125,000, and it is still on the way up. According to the testimony of Efficiency Expert Brown, the pay roll for permanent employees amounted last year to \$80,000 and for temporary employees \$23,000. Even in these days of billions, the sum total spent on this experimental bureau will make an imposing figure.

Meanwhile the results are negligible. In fact, of all the jobs assigned to this Bureau of Efficiency by Congress only one, and that a report on work performed by subtreasuries, seems to have been fully completed. Even in this instance, little in the way of concrete results has followed the recommendations of Mr. Brown.

On every other job the Bureau of Efficiency has either lagged lamentably or completely fallen down. This statement is abundantly confirmed by a review of the hearings before the Committee on Appropriations of the House, where, despite insistent instructions from Congress, Mr. Brown was unable to make a complete or even partial report on the several tasks assigned the bureau. Among these assignments was one to examine and audit claims; another to investigate the methods employed by the Civil Service Commission; another to submit comparative tables showing the rate of pay granted for similar work to Government and private employees; another to ascertain and submit to Congress a compilation showing the prospective cost of various old-age retirement plans for civil-service employees. The hearings before the House Appropriations Committee of January 7, 1918, disclose that little, if any, progress was or had been made on these several items, and it is doubtful if any worth mentioning has been made since. After more than a year's delay and after much heckling and prodding a very limited compilation of figures of doubtful accuracy relative to the prospective cost of a retirement plan has been submitted, but utterly without any explanatory data or advice, as would be naturally expected.

Compared to the large appropriation voted for its maintenance, nothing worth mentioning has been accomplished by the Bureau of Efficiency in the more than five years it has existed. And yet Mr. Brown complains that "unless our force is substantially increased we will not be able to do it"—referring to the several tasks assigned and unfinished by this bureau. It is Congress that wants results, and Mr. Brown replies with a plea for more money. So lamentable was the condition as disclosed at these hearings that Mr. Brown was moved to admit at the conclusion, "We have spent most of our time at this hearing in apologizing for not finishing certain work." In the light of these revelations the "Bureau of Inefficiency" would be a more fitting designation.

And the testimony at these hearings discloses more. It showed that while the Bureau of Efficiency pretended to be busy introducing systems of scientific management in other departments, it, in fact, reveals an appalling lack of system in managing its own affairs.

Its reports are beyond understanding, and the references made to the work it is supposed to be performing are couched in the vaguest terms when, indeed, it makes any reference at all. It fails to complete its work on time or when ordered by Congress to do so. It fails to maintain any settled administrative policy or to forecast with even passing accuracy its prospective cost of maintenance. It fails to confine its own expenditures within the appropriation granted. It fails to furnish a single specific instance where it has simplified former methods or benefited administrative processes. In fact, it fails to show any good reason for its existence or why it should be designated as a bureau of efficiency. And yet this is the bureau that is presumed to tell other departments how to run their business.

Mr. MADDEN. Mr. Chairman, I yield 30 minutes to the gentleman from South Dakota [Mr. WILLIAMSON].

#### AGRICULTURAL RELIEF.

Mr. WILLIAMSON. Mr. Chairman and gentlemen of the committee, so much has been said about the economic ills of the American farmer and so much eloquence has been expended in painting his miseries that I shall not detain the House long on this phase of my subject. Something besides sympathy must be offered. Sympathy, so far from soothing his feelings, angers him. He is not a "mollycoddle." He is a two-fisted, upstanding man who knows he is getting the worst of it. Everywhere he sees industry humming, factories busy, and labor employed at high wages. He alone is denied prosperity. He is in a fighting mood and demands that his elected Representatives in this Congress devise some practical means of relief. All he asks is a square deal. The farmer is paying practically war prices for those necessities which he can not produce upon his own farm, and is actually paying more for farm machinery than he did at any time during the war. In his turn he is compelled to sell most of what he produces at about one-third of what he received before he started to slide down the toboggan. This places him in a most unequal situation and has resulted in utter financial ruin for thousands of our mid-western farmers.

The farmer is still the biggest single factor in our Nation, and without his cooperation and continued production our people can not live. His prosperity and contentment are closely linked with the well-being and happiness of our common country. In the past he has been our sanest and most powerful stabilizing influence, and he will continue to be such if he is given a fair chance. The farmer is fully conscious that the price he receives for his wheat bears no just relation to what he must pay for his flour; that the spread between the beef on the hoof and the beef on the block is too great; and that the pittance he receives for his hides is little less than an insult when compared with what he pays for his shoes. For him to have to buy a suit of clothes or a ton of coal is a real calamity. Everywhere the newspapers are filled with foreclosure notices advertising his farms for sale.

#### DEFINITE RELIEF POLICY REQUIRED.

The time has come when some definite policy should be worked out for the relief of agriculture. Extension of credit, however helpful, will not solve the problem. What he needs above everything else is a market for his products at a price fairly comparable with the price he must pay for the products of the factory and mill. It is manifestly impossible to reduce the price of the products of trade and industry to the pre-war level. This being impossible, no considerable reduction of the wage scale may be expected and can not of right be demanded. Every great war has brought on an increase in the cost of living, and history shows that it has rarely, if ever, dropped back to the old level. We must therefore accept the advance as more or less permanent. The problem is not so much to reduce the cost of what the farmer must buy as to increase the price of what he has to sell so as to restore to it a fair purchasing and debt-paying value. In order that this may be accomplished there must be—

First. A drastic reduction of freight rates on farm products produced at points far distant from market.

Second. A Federal grain-grading law that will operate in favor of the farmer and not in favor of the miller, speculator, and exporter.

Third. Such definite relief of the one-crop farmer in the wheat area as will enable him to diversify his farm activities.

Fourth. The creation of a Government export agency charged with the duty of disposing of surplus farm products.

Fifth. A protective tariff on agricultural products sufficiently high to permit the domestic price to rise to a point fairly comparable with the price received for nonagricultural products.

#### FREIGHT RATES.

The long distance from market and the high freight rates that now prevail offer an all but insuperable obstacle to the success and prosperity of the farmer of the great Mid-West. If time permitted, many examples could be given where such rates, at the present price of many staple farm products, are practically confiscatory. Railroads are permitted to make low rates for coast-to-coast hauls in order to compete with traffic by water through the Panama Canal. A like situation exists on roads paralleling important inland waterways. In order to recoup themselves for these low competitive rates the railroads are permitted to charge excessive rates from inland and noncompetitive points. The result is that the farmers in the interior regions in this country are often practically without a market for many of their products. If the Interstate Commerce Commission can not be induced to grant some relief, Congress should take action.



## CROP DIVERSIFICATION.

Definite relief must also be extended to the one-crop farmer in the wheat area. To-day he is so impoverished in many cases that it is beyond his power to diversify his production. Such aid must be given him as will enable him to get away from the one-crop idea. The only practical solution so far advanced is contained in the Burtness-Norbeck bill. This measure, if enacted into law, will enable the man who is not able through his own resources or through existing credit facilities to diversify his farm operations to do so through the Government agency created by the bill. The measure has been criticized as unsound because it does not provide for adequate security for the repayment of Government funds. It does, however, provide that the money advanced shall be exclusively used for the purchase of livestock and that the Government is to have a first lien upon such livestock and the increase thereof.

Mr. STEVENSON. Will the gentleman yield?

Mr. WILLIAMSON. I will.

Mr. STEVENSON. As I understand the Burtness bill, for a man to be eligible to obtain a loan under that from the Government he must be in a situation where he can not negotiate a loan anywhere else?

Mr. WILLIAMSON. Exactly so; that is the purpose of the bill.

Mr. STEVENSON. Therefore if he is bankrupt absolutely, with no security that is acceptable to anybody, the bill proposes that the Government loan him money?

Mr. WILLIAMSON. The gentleman seems to have a very poor opinion of the farmers of the Northwest.

Mr. STEVENSON. I have not a poor opinion, but I am speaking of it as a banking proposition.

Mr. WILLIAMSON. We are not dealing with it as a banking proposition, and if these men were in a position to get credit through regular credit facilities we should not be before this House asking for the passage of this bill. I may say to the gentleman so far as my own State is concerned, and so far as my district is concerned, there is going to be comparatively little demand for loans if this bill becomes a law, but there is a very large demand through the wheat-growing area. Under the bill loans will not be made to bankrupts but only to farmers who have reasonable prospects to work out. It is expressly provided that loans shall only be made to those who can show a reasonable prospect of making good.

Mr. BURTNESS. Will the gentleman yield?

Mr. WILLIAMSON. I will.

Mr. BURTNESS. In that connection, is it not also a fact there are a great many who are entirely solvent in the sense their assets are a great deal larger than their liabilities, and yet they can not possibly borrow the money from existing facilities?

Mr. WILLIAMSON. That is precisely the situation.

Mr. STEVENSON. Is it expected this bill is to be so amended that it must be based on assets that make the debt secure, and therefore a man who has not got any assets which will make the debt secure will be shut out?

Mr. WILLIAMSON. Let me call the attention of the gentleman to the fact that the money available under this bill can only be used for the purpose of buying livestock, and the Government has a first lien on the livestock and the increase thereof, and on money loaned in that manner there has been very little loss. It was predicted in this House when the seed grain loan bill was under consideration that this Government would not collect 10 per cent of the money loaned. They have to-day collected better than 70 per cent, and I am assured by the officials in charge that they expect to collect practically the entire balance which is due the Government.

Mr. STEVENSON. I just wanted to ask if the loans we have been making have been repaid?

Mr. WILLIAMSON. Over 70 per cent of the seed-grain loans.

Mr. STEVENSON. Does not the gentleman think we might as well make a provision for setting a man up in livestock and be done with it, and not have anything coming hereafter?

Mr. WILLIAMSON. No; I am willing to make this prediction now, that if this bill passes the House and the Government loans \$50,000,000 to the mid-western farmers, that the Government will suffer practically no loss at all at the end of the five-year period, and if there is a loss it will not exceed the amount which the Government will recover in the way of interest.

The farmer will be given five years, if necessary, at a comparatively low rate of interest, in which to work out. I have lived in South Dakota practically all my life. I know the character of people that live in the Northwest. Such as can qualify under the bill will make good with few exceptions. In the end the Government will sustain little, if any, financial

loss, and we shall have preserved to the Nation those hardy pioneers who are struggling against great odds to develop that vast region commonly known as the "spring-wheat area." These people have fought a good fight against small production, low prices, and high freight rates. They were all but compelled during the war to increase their acreage, expand their plants, and produce to the utmost. They were not allowed the normal profit of the times that came to every other business. It is time that a great Government gave them a square deal and an opportunity to again build up their fortunes. That only is demanded. Nothing less should be granted. This bill has the indorsement of the President and should be enacted into law at an early date.

Mr. JONES. Will the gentleman yield for a question?

Mr. WILLIAMSON. I will.

Mr. JONES. The gentleman says the President gave an indorsement to this bill. When did he do that?

Mr. WILLIAMSON. I call the gentleman's attention to his message. There is only one character of bill indorsed in that message, and that is a measure providing for a "system of diversified farming." There is only one bill before the House carrying that kind of a provision—

Mr. JONES. May I suggest in that connection that the President said in that message that it would not be proper for the Government to loan money except on adequate security, whereas the Burtness bill specifically states that it is for the purpose of taking care of the people who have not the security to obtain money from available sources of credit.

Mr. WILLIAMSON. Let me call attention to this fact: When the War Finance Corporation was established it was established for the same identical purpose. It was to give credit facilities to those institutions, industries, and manufacturers that could not get credit elsewhere, including cotton. Why should not the farmer of the Northwest be entitled to the same consideration as has been given to business institutions of the East and elsewhere? If we are not proceeding upon this basis then I think we are going entirely upon a wrong basis in the way of giving aid.

Mr. JONES. I am conceding your proposition, that that is what the War Finance Corporation was organized for, and I am conceding your statement as to what the Burtness bill means; but I take issue with you on the matter of the President's indorsement, because the very language of his message shows that that could not be done.

Mr. WILLIAMSON. The gentleman can put his own construction on what the President means. There can not be any doubt of his indorsement of the aid sought to be given by this bill.

Mr. JONES. He said that the Government could not properly loan money on unsecured collateral, while the purpose of the Burtness bill is to make loans where there is no security. I wanted the gentleman to explain in what manner the President had indorsed his measure.

Mr. WILLIAMSON. I have already stated that the Government will have a first lien upon the livestock purchased with the proceeds of any loans made; also upon the natural increase.

## THE SURPLUS CROP EXPORT BILL.

Another measure of much larger general importance to American agriculture has been introduced by Congressman HAUGEN in the House and Senator McNARY in the Senate. It is a well-recognized fact that the domestic price of any farm product of which there is an exportable surplus is largely determined by the price paid for such surplus in the foreign markets. The problem, then, is to get rid of this surplus, so as to permit the domestic price to rise behind the tariff barrier. So long, for illustration, as there is a larger amount of wheat produced in this country than can be consumed by the American people, the domestic price will be approximately the Liverpool price less transportation, handling, and commission charges. But if the domestic supply should fall short of normal consumption, so that imports would become necessary, the domestic price would immediately rise to a point equal to the most favorable foreign price at the American border plus the tariff levied upon each bushel of imports. In other words, if Canadian wheat is worth \$1 per bushel, the importer would have to pay this amount plus a 30-cent tariff, or \$1.30 a bushel. It follows as night the day that the price for our domestic supply would at once rise to \$1.30 a bushel.

The framers of the bill referred to, however, proceed upon a somewhat different principle, though the tariff barrier is an indispensable adjunct to its successful operation and, in fact, places a limit above which the domestic price can not rise. As soon as the domestic price rises above the foreign price plus the tariff affecting the particular commodity, the flow from foreign sources would at once stop further advance.

In place of attempting to fix the domestic price at the foreign price plus the tariff on any particular agricultural commodity, as is now roughly done by the manufacturers on manufactured goods coming into competition with foreign imports, the proponents of the bill seek to set up a Federal commission whose business it shall be to determine at what prices certain farm products of which there may be an exportable surplus must sell in order to give them their pre-war commodity purchasing value.

In order to simplify the discussion and make more clear what is sought to be accomplished by the bill, I will use wheat as a basis for illustration. In order to get at the pre-war commodity purchasing value of wheat for any given month the Secretary of Labor determines the average all-commodities purchasing value of wheat—known in the bill as the "pre-war basic commodities price"—for that month during and including the years from 1905 to 1914.

In making this calculation the Secretary of Labor is directed to use the prices, weights, and index numbers shown on page 9 of Bulletin No. 335 of the Bureau of Labor Statistics. The "pre-war basic commodity price" for wheat having been determined, the commission proceeds to determine the price at which wheat must sell in order to give it the same current purchasing value per bushel in commodities as it had on an average for the preceding month during the years 1905 to 1914, inclusive. This is known as its "ratio price." In other words, it seeks to maintain the price of wheat at a point where it will have approximately the same purchasing value in goods as it had before the war.

This proposed "stabilization" of farm commodity prices is made self-sustaining and contemplates no drain upon the Federal Treasury except for the initial subscription of stock in the United States Agricultural Export Corporation, all of which would in due course be returned to the Treasury. In order to make it self-sustaining it is provided that the commission for such operation period as it may select, not exceeding one year, shall prepare an estimate in respect to each agricultural commodity selected showing the probable losses on the exportable surplus and expenses of operation. These probable losses and expenses having been determined, a sufficient tax is levied upon the entire salable commodity in question to make good such loss. The amount of such tax per unit of weight or measure, known as an "equalization fee," having been determined, the producer, upon offering the commodity for sale, is required to pay such "equalization fee" in the form of a deduction from the price he otherwise would have received in cash. This deduction is not necessarily a total loss as the farmer is paid for such deduction in the form of scrip. If at the end of the operation period the losses on exports and expenses of operation are less than the original estimates, the corporation will redeem the scrip at whatever value it may have as represented by the balance in the hands of the corporation.

In order to give the commodity selected its pre-war purchasing value, the export corporation provided for in the bill proceeds to buy up the surplus at the "ratio price." Dealers in turn are compelled to meet this competition by paying the price offered by the corporation.

In order to make certain that producers of each basic agricultural commodity shall pay ratably their equitable share of the expenses of the corporation and the losses sustained upon exports, it is provided that they must accept payment for whatever the "equalization fee" amounts to per unit of sale in scrip. Dealers must provide themselves with the necessary scrip for such payments by purchase from the corporation.

To illustrate how this would work out in practice, let us assume that the commission has found the "ratio price" of wheat to be \$1.50 per bushel and that the exportable surplus is one-fourth of the marketable production, for which the corporation can realize only \$1 per bushel for the farmer. It is apparent that the corporation will sustain a loss of 50 cents per bushel upon all wheat exported. If the expense of operation is equal to 6 cents a bushel for the amount exported, the total loss would be 56 cents per bushel. But as the exportable surplus is only one-fourth of the whole the loss would amount to only 14 cents per bushel for the entire crop, so that the farmer would realize a net price of \$1.36 in cash. This 14 cents per bushel would constitute the "equalization fee."

If at the end of the operating period the export corporation found that it had realized more than \$1 per bushel upon its exports, or that the operating expenses had been less than anticipated, it would have on hand a surplus which would be used for the purpose of discounting the scrip given to the farmers in part payment for their grain. If, for illustration, the total loss on exports and for operating expenses only amounted to 10 cents per bushel instead of 14 cents, the

farmer would receive back for his scrip what would amount to 4 cents per bushel, so that he would in the end realize \$1.40 per bushel for his wheat, or a total advance of 40 cents per bushel.

#### TARIFF ADJUSTMENT.

In order to command this price in the case supposed, however, the tariff on wheat would have to be increased to at least 40 cents per bushel. Provision is made in the bill for raising the tariff to a point where it will give the necessary protection.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield there?

Mr. WILLIAMSON. Yes.

Mr. KINCHELOE. You do not put in that estimate the cost of administration of this law?

Mr. WILLIAMSON. What is that?

Mr. KINCHELOE. I say, you do not put in that estimate the cost of the administration of this law.

Mr. WILLIAMSON. I have not, so far. I will call your attention to that a little later on. As a matter of fact, the way the bill will probably operate, the current commodity purchasing value—"ratio price"—of wheat will be based upon its commodity purchasing value prior to the war. That, as I understand, does not necessarily include the cost of operation.

Mr. KINCHELOE. I may say that the Committee on Agriculture has been in session for a month on this and similar bills, and we have not yet had anybody before us who could approximate even within a million dollars what will be the cost of the administration of this law if it were enacted. Do you have any idea of how many Federal officers are going to go throughout this country administering this law?

Mr. WILLIAMSON. The farmer will have to pay it in any event, whatever it is.

Mr. KINCHELOE. The more the law costs the more the farmer will pay in scrip.

Mr. WILLIAMSON. I admit that the bill now before the committee is entirely too complex in its provisions. It provides for too much operating machinery, which will necessitate too large an overhead expense. I think the proposed management should be consolidated so that the expense of actual operation will not be too big; otherwise there will be too much expense, which will necessarily reduce the farmers' prices for their products.

Mr. KINCHELOE. I do not think anybody has any definite idea as to the cost of administration of this proposed law, and nobody who appeared before our committee could give us any idea of the troubles they will encounter. Let me ask, is the gentleman discussing the Haugen-McNary bill or the Sinclair bill?

Mr. WILLIAMSON. The Haugen-McNary bill. The Sinclair bill proceeds upon an entirely different theory. The Haugen-McNary bill will be self-sustaining. It will not cost the Government one dollar for administration if administered according to its terms.

Even under this system the farmer would receive less than the pre-war commodity purchasing price for his products unless the "ratio price" was made sufficiently high so as to include the loss sustained on the exportable surplus and on the expense of operation.

#### PROGRAM OUTLINED SOUND.

This bill seeks to do for the farmer what he can not do for himself for some time to come. If the farmers could organize so as to control their surplus production or prevent it altogether, it is clear they could command a price for their products equal to the import price plus the tariff wall. But such organization is for the time being impossible. The farmer should be insured a fair price. This bill seems to me the most practical measure so far advanced for securing this end.

Millions have been extended in credits to industry, both for productive and export purposes. A high protective tariff has not only enabled the manufacturer to receive a profitable price for his products upon the American market but enabled labor to maintain a high standard of wages. The big earnings of both capital and labor which normally should have benefited the farmer by creating a higher price for his produce have been the means of his undoing by doubling the cost of his production without adding to the price of what he has to sell. The program outlined above, only a part of which I have had time to discuss, will remedy the situation if honestly and efficiently carried out. It will not do to say that it is economically unsound. On the contrary, nothing can be more unsound than to permit one-third of our population to suffer distress and want while the remainder revels in luxury and plenty. This is particularly true when that one-third is the producer of the primary raw materials without which the Nation can not live. If the agricultural industry is irreparably injured by our failure to administer effective remedies, it will in the end bring disaster to every other line of business. [Applause.]



Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back five minutes. Mr. BYRNS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. BUSBY].

The CHAIRMAN. The gentleman from Mississippi is recognized for 10 minutes.

Mr. BUSBY. Mr. Chairman and gentlemen of the Committee, the remarks which I shall make will be directed to one particular feature of the bill that is now before you for consideration. I have noticed in examining the bill and the report thereon and the report of the Postmaster General covering the fiscal year ending June 30, 1923, present some features in connection with the rural mail service which I believe we should give a little more attention to before definitely settling upon the amount provided for in the bill.

The estimate for the Post Office Department for the fiscal year 1925 as submitted by the President in the Budget aggregate \$613,093,183.50. (Report on bill, p. 12.)

The amount recommended to be appropriated in this bill is \$800,976,246.60. (Report on bill, p. 12.) This sum is \$3,116,936.90 less than the Budget estimate.

The particular item in this bill to which I desire to direct your attention is the rural carrier service throughout the country. The amount recommended to be appropriated in this bill for this service is \$88,250,000. Of this amount \$87,500,000 is necessary to cover what the Fourth Assistant Postmaster General terms "fixed charges." The fixed charges are determined by combining items of expenditures calculated on the present status of the forces serving this department. (Hearings, pp. 252-255.) This leaves a balance of only \$750,000 provided for in this bill with which to take care of unforeseen expenditures of the amount of estimates, establishing rural routes, and extending rural routes. We are told by the Fourth Assistant Postmaster General, on page 255 of the hearings, that there are now in his office approved and ready for authorization 496 cases which have been reported by the inspectors. These routes have been approved and should have been established and this additional service should have been given to the people. Why this has not been done does not appear in the hearings. It certainly could not have been for lack of funds, because on the same page of the hearings the Fourth Assistant Postmaster General tells us that—

We turned in an unexpended balance of \$782,375 in 1923 which we could very well have used in establishing meritorious routes.

In addition to these 496 routes which have been finally inspected and approved, this same authority tells us that there are now in the hands of the inspectors 405 cases which have not been reported on. This makes a total of 901 routes finally inspected and in the hands of the inspectors at the present time. In addition to this he tells us that there are 1,303 extension cases which have been approved. The only money provided for in this bill with which to give this additional and admittedly meritorious service to the people is \$750,000. This is the only amount provided for in the bill over and above the "fixed charges."

I notice that the Fourth Assistant Postmaster General all along, in discussing the reasons why he did not give certain service provided for in the 1923 appropriation bill for those purposes, expressed his idea in somewhat this way, as shown on pages 251 and 255 of the hearings on this bill: That he wanted to work hand in hand with the President and the Budget Bureau, so that he might not exceed the expenditures in the Budget estimate. This bill, providing as it does for something like \$3,000,000 less than the Budget estimate, I feel warrants us in discussing this particular feature. The particular item in the bill to which I wish to invite your attention is the rural carrier service throughout the country.

Mind you, 496 of these routes had been finally inspected and were ready to be put into operation by his office. I might suggest here that in addition to these 496 routes which have been finally inspected and approved the same authority tells us that there are now in the hands of the inspectors 405 cases which have not been reported on, and this makes a total of 901 routes.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. BUSBY. Yes.

Mr. JONES. Does the gentleman know what provision has been made in the pending appropriation bill about taking care of these?

Mr. BUSBY. No provision has been made to take care of all of them.

Mr. MADDEN. The gentleman must be mistaken about that. My understanding is, after a careful study, that there is about \$1,350,000 in the bill for the establishment of new rural routes.

Mr. ABERNETHY. Mr. Chairman, will the chairman of the Committee on Appropriations yield to me for a moment?

Mr. MADDEN. And that will establish, if the gentleman will permit me to make a statement, about 1,100 routes.

Mr. ABERNETHY. I desire to call the attention of the gentleman from Illinois to a matter that has come to me.

Mr. MADDEN. We are taking up the time of the gentleman on the floor.

Mr. ABERNETHY. Has the gentleman from Mississippi any objection?

Mr. BUSBY. I have not.

Mr. ABERNETHY. I understand you have cut the Budget estimate on star routes about \$100,000.

Mr. MADDEN. Well, I would not undertake to say just what we did, for I do not pretend to keep in mind all the figures that are incorporated in one of these bills.

Mr. ABERNETHY. I simply call it to the attention of the gentleman, as I have already called it to the attention of the gentleman from Tennessee [Mr. BYRNS], and I would like to have the chairman of the committee seriously consider that.

Mr. BUSBY. I am sure that is the fact, that the estimate was cut \$100,000.

Mr. BYRNS of Tennessee. That was done, but it was done because the Fourth Assistant Postmaster General said he thought he could get along without that money.

Mr. MADDEN. He stated he did not need the money, and we do not attempt to offer money to any branch of any department where they do not want it, and we ought not to be offering it to them.

Mr. BYRNS of Tennessee. Then there is another thing about it; it is a contract matter, and the contracts are made by the department.

Mr. BUSBY. That matter is entirely aside from the proposition to which I was calling attention. I am sure the chairman of the committee had the most kindly feeling toward these propositions, and I am not intending to criticize any action on the part of the committee.

Mr. MADDEN. I did not think the gentleman intended to do that, but I wanted to give him my assurance that I think we have provided enough money to meet all the needs of that service.

Mr. BUSBY. With reference to the particular item to which I am calling attention, this is what the hearings disclose with regard to the 1,100 routes that were suggested just now; and what I am going to read will be found on page 252 of the hearings. The chairman of the committee asked this question of the Fourth Assistant Postmaster General:

How many rural carriers have we, Mr. Billany?

The reply was:

We had on June 30, 1923, 44,312.

The CHAIRMAN. You are estimating for 45,412. Do you expect to put on 1,100 new routes?

Mr. BILLANY. We expect to put in new routes to the extent of \$750,000.

The CHAIRMAN. At an average cost of how much per route? It would be about \$1,800 for each route, would it not?

Mr. BILLANY. Practically that amount. We estimate that—

The CHAIRMAN (interposing). That would be about 400 new routes, would it not?

Mr. BILLANY. We have to take into consideration—

The CHAIRMAN (interposing). You are estimating for 1,100 new routes, are you not?

Mr. BILLANY. We have an estimate in there for annual and sick leave.

He never did answer the question.

I want to refer again to the proposition I was about to present. This makes a total of 901 routes finally inspected and in the hands of the inspectors at the present time. In addition to this, he tells us that there are 1,303 extension cases which have been approved.

Mr. MADDEN. Will the gentleman yield?

Mr. BUSBY. Yes.

Mr. MADDEN. Of course, the gentleman is going on the presumption that 405 would be approved?

Mr. BUSBY. I will get to that presently. The only money provided for in this bill with which to give this additional and admittedly meritorious service to the people is \$750,000. This is the only amount provided for in the bill over and above the fixed charges, which he says are necessary to take care of the situation as it stands at the present time, or practically words to that effect.

Mr. MADDEN. But the committee does not agree that the fixed charges will be what he says they will be. We have only provided \$750,000 in the bill for the extension of rural routes, because much of what he claims will be required for fixed charges may be used for that purpose.

Mr. BUSBY. I gathered that, but the hearings are not plain on that proposition. It appears there was some difference between the estimates of the Fourth Assistant Postmaster General and the committee's understanding about that particular item. It is not plain.

The CHAIRMAN. The time of the gentleman has expired. Mr. BYRNS of Tennessee. Mr. Chairman, I yield the gentleman five additional minutes.

The CHAIRMAN. The gentleman from Mississippi is recognized for five additional minutes.

Mr. BUSBY. Taking both of these items into consideration, the \$750,000 and the other item mentioned by the chairman of the Appropriations Committee, I think they are entirely insufficient to cover the needed additional service which has been approved and will be approved during the coming year.

Mr. MADDEN. Will the gentleman yield further?

Mr. BUSBY. Yes.

Mr. MADDEN. Of course, these routes can not all go into effect at once, and it is generally the policy of men who address themselves to the subject to assume that the total amount required for the conduct of a route will be required for the entire year, whereas perhaps the total number of routes would not be required for more than six months.

Mr. BUSBY. Yes. I will now go along with my observations. The expense of the standard route is about \$1,800, but the average route is slightly longer than the standard route, and therefore a little more expensive. If the 496 routes which have been finally inspected and approved were put in operation at \$1,800 each, this would necessitate an outlay of \$892,800, and this is more than this bill carries for all purposes above the fixed charges. If the 405 routes which are now in the hands of the inspectors are approved and put into operation during the year at this same rate, it would require an additional expenditure of \$729,000, or a total for all additional route service of \$1,621,800. But all of these might not be approved; some might be rejected, but other applications, no doubt, will come in to take their places.

If the 1,303 route extensions which have been finally approved be put in operation at an average cost for each extension of \$150 a year—and it seems to me this is a very reasonable estimate—then an additional amount of \$195,450 would be required for this service. This would make a total of \$1,817,250 required to cover the cost of Rural Carrier Service, most of which has already been approved by the Post Office Department.

If we take from this amount the \$750,000 provided for in the bill, over and above the fixed charges, then, if the Fourth Assistant Postmaster General granted the service, most of which his office has approved, he would need an additional amount of \$1,067,250; he would require that much more than is provided for in this bill.

I want to say, in regard to the action of the committee in framing this bill, that the chairman of this committee, in asking his questions on the hearings, had no disposition whatever to lessen the amount asked for by this particular official, the Fourth Assistant Postmaster General, and the chairman suggested to the Fourth Assistant Postmaster General that he did not want to cripple the service, but that he wanted to give him every penny he was asking for in his recommendations to the committee in making up the bill.

Now, the thing to which I want to call your attention particularly is the return of \$782,000 to the Treasury out of the appropriation which was made for the previous year and which this official, Mr. Billany, says could have been very well used in establishing meritorious routes. You will find those words in the hearings.

There is another thing to which I want to call your attention before my time expires. We find in the last report of the Postmaster General the statement that since the last general weighing of the mails in 1907 the weight of mail matter has increased some 500 per cent; that since 1913, when the Parcel Post System was generally put into effect, the receipts have been practically doubled by the Post Office Department; that during that time the increase in the number of post-office clerks has been 57.89 per cent; that the increase in city letter carriers has been 27.69 per cent; that the increase in railway mail clerks has been 13.29 per cent, and that the Rural Carrier Service has been increased during that 10 years only 3.25 per cent, showing a very, very slight increase.

The reason I am calling attention to this is because of the fact that a part of the money that could have been used on establishing new and meritorious routes—new routes which had been approved to the number of 496—was turned back into the Treasury and was not used by the Fourth Assistant Postmaster General in 1923.

Mr. MADDEN. Will the gentleman yield?

Mr. BUSBY. In just a minute. That has no bearing on the committee, and it has no bearing on the House or on this Congress; but it does show this: That a situation exists where somebody ought to ask somebody else to render a service to the people where that service had been approved by his own department.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MADDEN. If the gentleman will permit, I will yield him a minute or two additional in which to answer. The 496 rural routes that have been approved, I should imagine, without knowing the facts, might be established during the present fiscal year out of moneys that are appropriated for 1924, and I want to call the gentleman's attention to the fact that this bill is appropriating money for 1925. The money appropriated for 1924 has not yet been turned back into the Treasury, of course; and to the extent it is available for use in the establishment of rural routes it ought to be used, and I hope it will be, and I will help any section of the country to see that it is used for the purpose for which it has been appropriated. I will be glad to do that. So that, as a matter of fact, the 496 routes that have been approved and are still pending without being established, I assume, although I do not know the state of the appropriation for 1924, might very well be established and paid for out of money now available and would not be taken into account at all in connection with the bill we have under consideration here.

Mr. BUSBY. I understand that, but I was only taking his word for the proposition.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. MADDEN. I yield the gentleman time in which to make his statement.

The CHAIRMAN. How much time does the gentleman yield him?

Mr. MADDEN. Two minutes.

The CHAIRMAN. The gentleman from Mississippi is recognized for two additional minutes.

Mr. BUSBY. Mr. Billany says: "We turned in an unexpended balance of \$782,375 in 1923, which we could very well have used to establish meritorious routes."

Mr. MADDEN. That is a fact.

Mr. BUSBY. I understand; and that is what I am talking about. He also says, "We have been curtailing this appropriation for two years in order to go along with the President in his plan of trying to balance the Budget," and the only reason I am calling attention to this proposition at this particular time is because the bill carries something more than \$3,000,000 less than the Budget estimate, and if it is necessary to have an additional increase on this particular item when the bill comes up for amendment we can very well add the required amount that is necessary to establish this service and still be within the Budget estimate.

Mr. MADDEN. There was none of that amount taken off of the rural service recommendations.

Mr. BUSBY. I understand that, and I have made that plain. I want to recur just a moment to the report of the Postmaster General, wherein he says, on page 32: "The department has endeavored to meet the desire for extensions of this service"—that is the rural-route service—"wherever it would be justified and the appropriations would permit." It does not seem that everything exactly tallies with those statements when the money is being turned back and not applied on these routes.

Mr. MADDEN. I agree with you.

Mr. BUSBY. I thank you. [Applause.]

Mr. MADDEN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. SPROUL].

Mr. SPROUL of Illinois. Mr. Chairman and gentlemen of the committee, since the appropriation bill was introduced two or three days ago carrying an appropriation of \$2,000,000,000, and was so ably presented by Mr. MADDEN of Illinois and Mr. BYRNS of Tennessee, we have talked about nearly everything else, from Teapot Dome to mining coal in Pennsylvania. In the few minutes that have been allotted to me I am going to take up a proposition that is probably interesting the taxpayers of this country more than anything that has come before this or the past Congress, of which I was a Member, and that is the tax bill.

Frozen capital does nobody any good, and the frozen capital in the United States is increasing in the form of investment in tax-exempt securities, while the country needs fluent capital as never before for development and extension of productive industry, which will multiply our wealth and furnish steady employment to all our citizens.



Money, or capital, is only a medium of exchange, and if it is not kept working it fails of its purpose and can be described only in that term of odium which we learned during the recent war. It becomes "slacker" capital.

Capital which, to evade the excessive high rate of taxes, goes into tax-exempt securities, constantly increasing in issue, becomes, like "draft dodger" of a few years ago, "tax dodger."

The American people are, and have been for nearly 10 years, terribly overtaxed—to such an extent that out of every hundred dollars earned \$12 is paid in taxes. During a war, as in any emergency which our Government has to meet, the people of the country who give their sons in the supreme sacrifice do not hesitate over paltry dollars. But with the emergency past there is no justifiable reason for continuing to pile burdensome taxes upon them, and while they are willing to give freely in an emergency they resent being forced to pay when there is no longer an emergency.

Since the Republican administration has been in power the national debt has been actually reduced, in round figures, \$4,000,000,000. Thanks to the adoption of a budget system, so ably administered by Gen. Charles G. Dawes and Gen. Herbert M. Lord, and thanks to efficient economies in appropriation by Congress, under the leadership of Representative MARTIN B. MADDEN, and thanks to the sound fiscal policies of Secretary Mellon, who has become known as "a master of public finance," so staunchly supported by the shrewd President Calvin Coolidge under this Republican régime, the Government has been able to report a surplus of upward of \$300,000,000 for each of the fiscal years 1922 and 1923 over and above all expenditures.

Further than that, since the end of the war the Republican administration, having inherited a tremendous war debt from the Democratic administration as a result, in a large measure, of conscienceless profiteering, besides balancing its budget each year and establishing a surplus after providing for interest and sinking fund, stands committed to the business policy of gradually reducing the war debt out of current revenue. With this sound business background of efficient economy achievement, the Republican administration proposes to use the accumulating surplus resultant from industry and the "thrift," about which we have heard so much during the last couple of weeks, in the only proper channel into which it should flow.

That surplus, representing the accumulated savings of more than 110,000,000 people, should be used as new capital for the creation and development and extension of productive industrial enterprises. Thus used it would furnish employment for increasing numbers of our people, it would result in larger quantities of commodities for home consumption and sale in the markets of the world, and the net result would be improved living conditions and well-distributed prosperity.

Some of our friends on the other side of the House have been trying to make the people of the country believe the Mellon plan, with its essential feature of reducing the maximum of graduated surtaxes on higher incomes from 50 per cent to 25 per cent, is an unholy scheme to relieve the relatively few individuals who pay them. Those who preach such a doctrine fail utterly to realize that these surtaxes have proved unproductive of revenue to the United States Government, and that the surtaxes on higher incomes have been uncollectible, and that, therefore, this system has proved unscientific, unworkable, uneconomic, and, in fact, has done positive harm in its influence on our welfare and prosperity.

That excessive high taxes unquestionably tend to reduce revenue is indicated by the fact that for the year 1920 the approximate total net income on which the individuals paid amounted to \$24,000,000,000, while for the year 1921 it dropped below \$20,000,000,000.

In 1916 the number of individuals reporting incomes of \$100,000 exceeded 6,600, while in 1921 the number had dwindled to 2,300. This decrease in taxable incomes was not due to actual loss of income by the individuals reporting, but was undoubtedly due to investments made by them in tax-exempt securities in order to escape the burden of excessive taxation occasioned by the very heavy surtaxes.

Secretary Mellon's proposal for reducing the surtax rates by commencing application of them at \$10,000 instead of \$6,000 and scaling them progressively upward to 25 per cent at \$100,000 is designed primarily to bring into use in industrial enterprises a tremendous amount of capital that has been hidden away—"slacker capital"—and which, besides being encouraged to pay a fair tax, although a reduced tax, then becomes productive capital, increasing wealth in processes of manufacture instead of continuing to be "frozen capital."

Secretary Mellon, firm in his conviction that such releasing of capital is the surest way to stabilize prosperity, and President Coolidge, with the utmost confidence in the financial sa-

gacity of the Secretary of the Treasury, have stood firm for this big reduction on the maximum surtax rate. Their stand is truly American and recognized as the soundest of business policy by the practical business men of this country, who realize that "frozen capital" is a positive evil in taking out of productive enterprise, through fear of excessive taxation, the funds that should be kept flowing through our industrial life.

The Republican members of the Ways and Means Committee, in suggesting that this question be considered as nonpartisan and in offering to compromise on the maximum surtax rates, demonstrated their desire to do all in their power to improve general prosperity by bringing idle capital into industrial use. The Democratic members of the Ways and Means Committee, by refusing to consider any suggestion of compromise, clearly demonstrated their intention, as leaders of the Democratic minority in the House, to "play politics" on this matter of such vital concern to the welfare of the entire country and the living conditions of individual citizens all over this country.

As a business man for nearly half a century, and after conference with many industrial and financial leaders of wide experience and the highest integrity, I assure you, my colleagues, that for the interests of the plain, common citizen, for the interest of the man who must have work to support his family, as well as for the interests of the manufacturer and the Nation as a whole, we should pass the entire Mellon tax program without change.

Mr. O'CONNELL of Rhode Island. Will the gentleman yield for a question?

Mr. SPROUL of Illinois. No; I do not yield.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. EYRNS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman, on yesterday there was a short colloquy between the gentleman from Ohio [Mr. FOSTER] and myself, about which there is no disagreement. The RECORD shows exactly what occurred on page 1864, and that part embracing the colloquy between Mr. FOSTER and myself I will ask that I be allowed to have printed along with the article to which I will refer.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent to revise and extend his remarks in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

The matter referred to is as follows:

Mr. STEVENSON. Will the gentleman yield?

Mr. FOSTER. I am pleased to yield, because the gentleman from South Carolina always honors me by his questions.

Mr. STEVENSON. The gentleman, I suppose, in speaking of Mr. McAdoo's employment as an attorney by Mr. Doheny certainly does not undertake to say there is no difference between employing an attorney and paying him even a big price and buying a United States officer who is in a governmental position and sells out at \$100,000.

Mr. FOSTER. There is a difference. However, the gentleman is not asking me a question. May I ask the gentleman one? I now ask the gentleman, assuming that Mr. McAdoo did receive \$250,000 from Mr. Doheny and assuming that Mr. Fall was given the \$100,000, and I believe he was, does the gentleman now say he is in favor of Mr. McAdoo, having that \$250,000 from Doheny, being elected President of the United States?

Mr. STEVENSON. I have not made any such statement.

Mr. FOSTER. I am now asking, Does the gentleman?

Mr. STEVENSON. I am asking the gentleman.

Mr. FOSTER. The gentleman will please answer my question.

Mr. STEVENSON. Am I in favor of what?

Mr. FOSTER. Is the gentleman in favor of the nomination and election of Mr. McAdoo, the \$250,000 attorney of Doheny, whom you say and I believe placed \$100,000 in the hands of Fall? Are you in favor of McAdoo?

Mr. STEVENSON. Wait a minute; I will answer. I would prefer doing that to electing anybody connected with Mr. Fall and who is now upholding him.

Mr. FOSTER. So would I. Come down to the question under consideration. Is or is not the gentleman in favor of Mr. McAdoo's nomination and election—

Mr. STEVENSON. I have not said—

Mr. FOSTER. In other words, the gentleman refuses to answer the question?

Mr. BLANTON. Is the gentleman from Ohio in favor of Mr. Coolidge employing Mr. Gregory, who seems to be on Mr. Doheny's pay roll to the tune of \$2,000, to prosecute these oil grafters?

Mr. FOSTER. I am not; but the gentleman's colleague from South Carolina will not answer me.

Mr. BLANTON. Is the gentleman—

Mr. FOSTER. When it is rumored that the President of the United States consults a Democratic member of the Supreme Court of the United States, and who recommends to him another Democrat from your State—a former Attorney General—and it then develops that such former Attorney General was an attorney for the Doheny interests, then President Coolidge should not appoint former Attorney General Gregory.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. The Democrats would have picked some attorney wholly disconnected with oil leases.

Mr. LONGWORTH. I have just read a statement from the White House that the President is not going to appoint him. [Applause.]

Mr. BLANTON. He has just now changed his mind then.

Mr. FOSTER. Wise men do that. I want to again ask my friend from South Carolina, is he or is he not for Mr. McAdoo? [Laughter.]

Mr. STEVENSON. I am for McAdoo against anybody you can put up. McAdoo did not sell, your man did, and the balance of you are standing up for him.

Mr. STEVENSON. In the Washington Herald of this morning, in very large headlines, we find, "McAdoo no friend of mine," cries Democrat amid stormy scenes on the floor of the House," and then there is quite a discussion of it, and the headline is rather discredited by the body of the article and the last expression, from which it is taken. They have Mr. FOSTER asking me, "Are you still for your friend McAdoo?" And they have me saying, "I have no friend by that name." Now, that did not occur at all. All those who were in here and heard me know that was not stated at all. Mr. FOSTER started to ask me something about Mr. Doheny, and he said, "But what about your friend Mr. Doheny?" He got that far, and I interrupted him by saying, "I have no friend of that name." And the gentleman from Illinois and all the balance of you remember it. It was not gotten by the reporter, the question not being finished. That was very naturally misconstrued by the reporter, and he did not intend to misquote it; but the newspapers are making quite a do about a South Carolina Democrat abandoning Mr. McAdoo.

Now, gentlemen, I have been in this game for a good while, and my reputation is that I stick. When I go to abandoning a friend, I do not abandon him while some oleaginous millionaire is attempting to besmudge him. I wait for everybody to be heard; and, in so far as my personal friendship for Mr. McAdoo is concerned, there has nothing occurred, and there can not anything occur, that will affect a friendship of 15 years' standing or more. In so far as whether Mr. McAdoo will be the most available candidate when the Democratic convention meets, the Democratic convention will determine, but it will not be necessary for me or you or any of us to adjudge him out of the race until Mr. McAdoo himself has been heard.

The gentleman was speaking of Mr. Doheny as my friend, and was making a good deal of the fact that he employed certain members of the former administration. I want the gentlemen on both sides of this House to understand that I do not know Mr. Doheny; but I do know that not very long ago Mr. Doheny testified over here before this committee that he, with certain other gentlemen who are also somewhat oily, had been dining at the White House. Now, I take it for granted that the gentleman is not going to consider that the occupant of the White House is discredited and can not be made a candidate successfully simply because he has had Mr. Doheny there; and I take it Mr. Doheny must be a friend up there, because these oil fellows do not go breaking into a house to eat dinner with the President. They must have been invited. So I do not see what the question of friendship has to do with it.

Mr. WEFALD. Will the gentleman yield for a question?

Mr. STEVENSON. Certainly.

Mr. WEFALD. It may be Mr. Doheny did not have his oil can with him on that visit.

Mr. STEVENSON. Well, possibly so, but I am not questioning anything that was done. The occupant of the White House has the right to have whatever guest put his legs under his mahogany that he wants to, and I have no criticism to make, but I do rather object to this free and easy way in which they condemn a man because he is able to make a living when he goes out of office by practicing law. I have practiced law 36 or 37 years and it is a hard job to make both ends meet.

Mr. LA GUARDIA. The gentleman did not get a fee of \$250,000.

Mr. STEVENSON. I have got as good fees as the average man and we have to work for them. Mr. McAdoo was employed after the thing was over and after he was out of

office a year. Theodore Roosevelt is still Assistant Secretary of the Navy, and was employed up to the time he became Assistant Secretary of the Navy. I do not see any stones thrown at him. He was in before the leases and is still in office, and his brother Archie became director after he went out.

Now let us be frank about it. The gentleman seems to be afraid that we are going to put up a candidate for the Democratic Party that will be discredited. I do not think the Republicans need to worry about that. I do not think of anybody they can put up but that can be beaten by anybody we have sense enough to put up. [Laughter and applause on the Democratic side.]

I do not propose to stand or sit here and hear them prophesy or threaten us about our proposing to run an unclean candidate as they would say. Let us see what the record is. The last time there was a great contest before 1920 they nominated Taft. Oh, in 1916 they had a little scrap—Johnson had Hughes beaten in California, but when they nominated Taft—and I am not saying anything against Taft except against his title to the nomination—here is what Theodore Roosevelt said about it in 1913:

The nomination of Mr. Taft at Chicago was a fraud upon the rank and file of the Republican Party; it was obtained only by defrauding the rank and file of the party of their right to express their choice; and such fraudulent action does not bind a single honest member of the party. \* \* \* The bosses and their agents in the Republican National Convention at Chicago treated political theft as a legitimate political weapon—

There was where the Republican Party put up a man with a fraudulent nomination and asked the American people to vote for him. The leading Republicans of the country said he got his nomination by fraud, and the American people sustained it by giving him only two States—had to wait until he got down to a U. Utah and Vermont—eight electoral votes.

Now, go back to 1884, when they put up the plumed knight and asked the American people to vote for him, and what developed? The Credit Mobilier scandal developed a great scandal and the American people repudiated them. Oh, well, you go back to 1876, when the Secretary of War was under impeachment, when conditions were as they are to-day, and when Mr. Hoar, of Massachusetts, one of the greatest statesmen ever produced, speaking on the impeachment of Secretary of War Belknap, said:

My own public life has been a very brief and insignificant one, extending little beyond the duration of a single term of senatorial office, but in that brief period I have seen five judges of a high court of the United States driven from office by threats of impeachment for corruption or maladministration. I have heard the taunt from friendliest lips that when the United States presented itself in the east to take part with the civilized worlds in generous competition in the arts of life the only product of her institutions in which she surpassed all others beyond question was her corruption. I have seen in the State in the Union foremost in power and wealth four judges of her courts impeached for corruption and the political administration of her chief city became a disgrace and a by-word throughout the world. I have seen the chairman of the Committee on Military Affairs in the House, now a distinguished member of this court, rise in his place and demand the expulsion of four of his associates for making sale of their official privilege of selecting the youths to be educated at our great military school. When the greatest railroad of the world, binding together the continent and uniting the two great seas which wash our shores, was finished, I have seen our national triumph and exultation turned to bitterness and shame by the unanimous reports of three committees of Congress—two of the House and one here—that every step of that mighty enterprise had been taken in fraud. I have heard in highest places the shameless doctrine avowed by men grown old in public office that the true way by which power should be gained in the Republic is to bribe the people with the offices created for their service, and the true end for which it should be used when gained is the promotion of selfish ambition and the gratification of personal revenge. I have heard that suspicion haunts the footsteps of the trusted companions of the President.

That was in reference to the party in 1876, and it is equally applicable to conditions to-day, when "suspicious haunts the footsteps of the companions of the President." And yet they come in here and begin to twit us as to the kind of candidate we are going to put up.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. BYRNS of Tennessee. I yield to the gentleman two minutes more.

Mr. STEVENSON. Well, gentlemen, what was the result of that campaign? Oh, Mr. Hayes was counted in. Tilden was



elected, and to show you that he was counted in they counted the vote of South Carolina for Hayes. Hampton was elected governor, and the minute that Hayes came in he recognized Hampton as governor, and therefore recognized that the Democrats carried South Carolina.

In the face of that let us see what kind of candidates we have presented. Horace Seymour, of New York; Horace Greeley, of New York; Samuel J. Tilden, one of the greatest men that this country ever produced; W. S. Hancock, the hero of Gettysburg; Grover Cleveland, three times nominated and twice elected; William J. Bryan; Alton B. Parker; Woodrow Wilson; and James Cox. Who has ever been able to rise and point his finger at either one of these great standard bearers. I ask you again not to worry about the Democratic Party of this country giving you an unclean candidate, and not to assume that they are so foolish as not to hold you responsible for the corruption in office which is now prevalent. [Loud applause on the Democratic side.]

Mr. MADDEN. Mr. Chairman, I yield 20 minutes to the gentleman from Washington [Mr. SUMMERS].

Mr. SUMMERS of Washington. Mr. Chairman, I believe in law enforcement and that we should carry it out in the most economical and most efficient way possible. During the closing days of the last Congress I introduced a bill, which I reintroduced during the early days of this Congress. I want again to bring it to the special attention of the House. I ask that the bill be read by the Clerk in my time.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.,* That the President may, whenever in his discretion he shall deem it to be expedient, cause any suitable number of public vessels of the United States adapted to the purpose to cruise upon the coast and public waters of the United States and territory subject to its jurisdiction for the purpose of aiding in the enforcement of the customs laws, the national prohibition laws, and the laws relating to the control of immigration and narcotics. Such vessels shall go fully prepared to render such assistance, and the President shall designate and assign to these duties such officers and enlisted personnel as may be required. The vessels, officers, and enlisted personnel so assigned shall be under the supervision and control of the civil officers of the United States charged with the enforcement of these respective laws.

While engaged in such service such officers and enlisted personnel shall have, in the discharge of these duties, all the power and protection conferred upon civil officers charged with the enforcement of such laws, and shall receive an additional compensation of 20 per cent of the amount of the basic pay of such officers and enlisted personnel in their respective grades, which additional compensation shall be paid out of the respective appropriations for the enforcement of such laws.

Mr. SUMMERS of Washington. Mr. Chairman, lawlessness is at present a subject of grave national concern. The matter of smuggling is one of the most serious aspects of this question. The press of the country is filled with stories of attempts to violate the laws of the United States through the smuggling of aliens, narcotics, and intoxicating liquors. Many of the religious, fraternal, and great commercial organizations of the country have called attention to this evil. Modern inventions have made the task of the officers engaged in the enforcement of the laws against smuggling peculiarly difficult.

I have proposed a measure which when adopted will prove most effective in overcoming this evil. This bill provides that the President, whenever in his discretion he deems it expedient, may assign such vessels of the United States Navy as may be suitable, with such officers and enlisted men as may be required to aid in the enforcement of the customs laws, the national prohibition laws, and the laws relating to the control of immigration and narcotics.

The taxpayers of the United States are required at all times to maintain a Navy for the purpose of national defense. During the time of peace the full time of all of these vessels and their crews is not required to maintain them at a standard of war-time efficiency. Some of these vessels, adapted to the purpose, could be utilized to assist in breaking down this nefarious traffic in smuggling. The temporary assignment of these ships and their crews to constructive work in protecting our Government from these violators of the law during such times would make of our Navy a most effective weapon of defense, not only in times of war but also in times of peace.

The measure would provide in the most economic way an effective agency to stamp out smuggling. These vessels must be maintained whether they are utilized for this purpose or not. For practically the same cost of maintenance they could be utilized for this purpose without in any way impairing their

war-time efficiency. The bill merely contemplates the use of existing facilities to combat the smuggling evil.

Additional compensation is provided for the officers and men who are assigned to this duty, which additional compensation is required to be paid out of the appropriation for the various departments of the Government to which such vessel may be assigned.

The exercise of this power is vested in the discretion of the President, who under the Constitution is the Commander in Chief of the Army and Navy and can be relied upon to exercise this power in such a way as not to impair the effectiveness of this arm of the service.

It is a matter of history that the only time the President of the United States ever actually commanded the armed forces of the Nation was when General Washington, then President of the United States, led a regiment for the suppression of the whisky rebellion in western Pennsylvania. The strong arm and the big stick should to-day subdue those who defy the fundamental law of the land.

We maintain a Navy to protect and defend the Constitution of the United States. I know of no better service for the Navy than doing the thing for which it is maintained.

Mr. Chairman, I am very pleased to note that since we began the agitation almost a year ago to make use of the forces already in existence for the suppression of law violation along this particular line, that this matter has been the subject of much discussion and consideration by the people, the enforcement officers, by the late President Harding, and more recently by President Coolidge.

Mr. OLIVER of New York. Does the gentleman state that President Coolidge is in favor of the use of the Navy?

Mr. SUMMERS of Washington. President Coolidge has submitted to the Appropriations Committee a budget estimate providing for the rehabilitation of certain naval vessels, the construction of some small vessels, to be added to this force, and all to be put at the disposal of the Coast Guard for the purposes I have mentioned.

Mr. LAGUARDIA. But they would be operated and manned by the Coast Guard Service.

Mr. SUMMERS of Washington. And the Coast Guard is what?

Mr. LAGUARDIA. It is not a part of the Navy.

Mr. SUMMERS of Washington. It is an arm of the Government.

Mr. LAGUARDIA. It is a part of the Treasury Department. It is true that it is charged with the enforcement of the law the gentleman refers to.

Mr. SUMMERS of Washington. I am not particular about whether it is by the Coast Guard or the Navy, so long as we utilize the forces at our command and the forces that can be utilized at the least additional expense and most effectively.

Mr. LAGUARDIA. The gentleman would not favor using the military forces?

Mr. SUMMERS of Washington. I would be in favor of using any force that is at the command of the President to uphold the Constitution of the United States against its violators.

Mr. LAGUARDIA. Carrying out the gentleman's idea, would the gentleman favor using his State militia for the policing of the streets of his own city?

Mr. SUMMERS of Washington. They are at the command of the Governor and, of course, are sent here and yonder wherever it may be necessary to enforce the laws.

Mr. LAGUARDIA. In emergencies only?

Mr. SUMMERS of Washington. In emergencies, yes; but when the Constitution of the United States is being flagrantly violated, openly violated, and encouragement of violation is given on the floor of this House and in every other place it is time to utilize all forces at our command for enforcing the law and upholding the Constitution.

Mr. LAGUARDIA. But the gentleman would not want to contaminate the Navy with this nefarious business, would he?

Mr. SUMMERS of Washington. I would want the Navy to do its duty as directed by the President of the United States.

Mr. OLIVER of New York. Would the gentleman say that the rebellion against the prohibition law has reached a state of warfare such as must be suppressed by the armed forces of the country?

Mr. SUMMERS of Washington. I have cited the instance back in 1793, when the liquor interests in western Pennsylvania defied the National Government. The President of the United States actually headed the troops as far as Cumberland, Md., for the purpose of suppressing that rebellion, and whether it is in western Pennsylvania or over in New York or along the Pacific coast, wherever it is I believe earnestly in suppressing

the law violators and in protecting and defending the Constitution.

Mr. LAGUARDIA. Could not that be properly accomplished by using the civil branch of the Government?

Mr. SUMMERS of Washington. I think it could be if every Member of Congress would heartily join in, if every governor of every State would declare that he is going to enforce the laws and stand by the Constitution; but as long as governors are saying that they are not going to cooperate in law enforcement, as provided by the Constitution of the United States, then they are adding very greatly to the difficulties.

Many governors are content to play hot and cold, and to give aid and comfort to both sides by their say-nothing, do-nothing policy. Politicians are afraid of the prohibition issue. We need better law enforcement and less politics in this business.

If 48 governors in 48 States were personally dry and would openly declare war on booze and "dope" peddlers we should see the end of this debauching traffic.

Law enforcement is the issue. Pussy-footing politicians everywhere should be put on record.

Mr. LAGUARDIA. I believe the gentleman is referring to my State.

Mr. SUMMERS of Washington. The gentleman surmises correctly.

Mr. LAGUARDIA. Is the gentleman aware of the fact that notwithstanding we have no State law with respect to the enforcement of prohibition, the police department of the city of New York has turned over to the Federal courts within the last few months 2,400 cases?

Mr. SUMMERS of Washington. There have been very many convictions, I understand, even in the city of New York.

Mr. LAGUARDIA. I am not talking about convictions.

Mr. SUMMERS of Washington. There have been 4,000 convictions within the last three years, so stated by the United States district attorney.

Mr. LAGUARDIA. What did he say?

Mr. SUMMERS of Washington. Four thousand convictions.

Mr. LAGUARDIA. Oh, no.

Mr. SUMMERS of Washington. A very large number.

Mr. LAGUARDIA. He has not had 300.

Mr. SUMMERS of Washington. I give the gentleman the figures.

Mr. LAGUARDIA. I just want to carry out the idea that the prosecuting officers throughout the country, not only in my city but everywhere, find it difficult to get juries to convict, and would the gentleman put naval officers to try these culprits, these violators of the law? Would he court-martial them by military law?

Mr. SUMMERS of Washington. The gentleman is getting entirely out of the province of the relief suggested in my measure.

Mr. LAGUARDIA. But I am simply trying to carry out the gentleman's suggestion to its ultimate effect.

Mr. SUMMERS of Washington. I hope the gentleman will support the suggestion of the bill that in every way possible we stop this smuggling. We would not have so many cases within the country for the juries to try if we would keep more of the liquor from coming in from outside.

Mr. LAGUARDIA. But let the proper branch of the Government do it. Do not turn over the Government to the military forces.

Mr. SUMMERS of Washington. The gentleman is entitled to his views of the matter. I am for law enforcement. We can no longer use kid-glove methods. We must get results. We want a dry seaboard. The paramount issue is, Shall our laws be enforced?

Mr. OLIVER of New York. Will the gentleman state what the State of Washington has done about patrolling its borders? What his own State appropriated to prevent smuggling, if the gentleman knows?

Mr. SUMMERS of Washington. I do not know the exact figures, but I can say that the State of Washington is very pleased with the dry law and is cooperating with the Federal Government. I only wish all city, county, and State officials were doing their full duty. At least 75 per cent of our citizens, and I believe much beyond that, would support the dry amendment if it were submitted to them at this time. The majority have been honestly trying to enforce the law in my State during the past several years, and while it is not wholly successful it is successful in a very large degree, to the great satisfaction of our people. The effect is reflected in the business houses, the savings banks, the better clothed children, comfort of the families, a larger attendance at legitimate places of amusement; in every walk of life you see the beneficial effects, and

so you will see them in every State that makes an honest effort for enforcement.

Mr. LAGUARDIA. Is not the gentleman's State conveniently near the Canadian boundary?

Mr. SUMMERS of Washington. Very conveniently near the Canadian line and Pacific waters, and that is one reason we want a measure of this kind, so as to assist in a still better enforcement than is possible at the present time.

Mr. LAGUARDIA. Has the gentleman any statistics as to the amount of unlawful liquors imported into his State? There is liquor being imported.

Mr. SUMMERS of Washington. There is liquor being imported; certainly. We all recognize that, otherwise there would not be any need for this measure for which I am now asking the support of the gentleman from New York.

Mr. RICHARDS. Will the passage of this measure relieve the situation with reference to the demand in the President's message for \$20,000,000 for more ships?

Mr. SUMMERS of Washington. The estimates now submitted are not for \$20,000,000 but \$13,853,989. He favors taking certain vessels of the Navy and rehabilitating them, and then provides for the pay of officers and men and so on during the remainder of this fiscal year. I am very much in hopes that there may be other vessels than those suggested in his message and in the report of the Director of the Bureau of the Budget that may be utilized so that this sum may be reduced. I stated in the beginning and I state now that I am absolutely for the enforcement of the law but believe in doing it in the most economical way possible. I believe in using the forces at our command, but in any event the Constitution must be upheld. [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I yield five minutes to the gentleman from North Carolina [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman and gentlemen of the committee, I desire to have the attention of the committee for a short period of time to show the extent to which proponents of the Mellon plan have gone with propaganda in its favor. Every Member of the House has been flooded with letters from various organizations of various kinds, but I confess until this morning that I did not think nor did I even conceive that anybody would go and get churches and religious organizations of the country back of this movement or propaganda for the purpose of putting across the Mellon plan. I desire to read for the benefit of the committee a letter which I received, which is marked "Personal," but upon a close inspection of it I find that it is a mimeograph letter and the date and my name is put in by typewriter, yet marked "Personal." It is on the letter-head of the "Drexel Biddle Bible Classes," of Philadelphia. "A. J. Drexel Biddle, F. R. G. S., Founder and President." It purports to have an enrolled membership of more than 300,000 throughout the world. The special departments enumerated are "Bible study, community Bible classes, class intervisitation, church unity, evangelistic services, mission services, railroad and Y. M. C. A. services, services for soldiers and sailors." This letter, which was directed to me, bears date of January 25, 1924, and is as follows:

DEAR CONGRESSMAN ABERNETHY: As we are in receipt of messages at our Bible class headquarters from large numbers of our Bible class leaders and classes throughout the United States, I feel it incumbent upon me to address you in the interest of our great and wonderful Secretary of the Treasury—Mr. Mellon.

Did you notice that word "interest"—the phrase "in the interest of our great and wonderful Secretary of the Treasury—Mr. Mellon"? It goes further.

Our people are overburdened with taxes, and the host of people who have communicated with me desire me to state that they strongly advocate the program for tax reduction as outlined by our honored Secretary, Mr. Mellon.

Praying for your distinguished support against the bonus and in favor of our Secretary, Mr. Mellon's entire program, and thanking you for your leadership for church and state, I have the honor to be,

Yours sincerely,

A. J. DREXEL BIDDLE.

I am reminded in this connection, my friends, of what an old friend of mine once told me. He said, "Lord have mercy upon the rich, for the poor can beg." I am wondering when Mr. A. J. Drexel Biddle holds these services for soldiers and sailors what they will say about his attitude upon the bonus question. I should make no remarks on this letter, as it speaks for itself. The first paragraph, reading, "I feel it incumbent upon me to address you in the interest of our great and wonderful Secretary of the Treasury, Mr. Mellon," is most expressive of the purpose of the Mellon plan. I have no doubt this Mellon plan is in the interest "of our great and wonderful Secretary of the Treasury"



and men of great wealth. Just how much Mr. Mellon will save by the Mellon plan a distinguished Senator in another body has been unable to find out and I have been unable to find out. It no doubt will run up into very large figures. I will have to extend my prayers for others than our "wonderful Secretary." [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. EVANS of Montana. Mr. Speaker, under leave heretofore granted to me, I desire to discuss briefly tax legislation. Ever since this Congress convened Members have been flooded with letters, telegrams, and other propaganda urging and demanding the passage of the Mellon plan, sometimes called the Mellon bill. Much of this propaganda reached the desks of Members of this House even before such bill was written or introduced.

I take it for granted, Mr. Speaker, that every Member of Congress is for a reduction of taxes. The only difference of opinion in this body is how the reduction shall be made and who will benefit by such reduction. Two plans are now before the Congress—the one called the Mellon plan and the other called the Garner plan, sometimes called the Democratic plan. I hold in my hand a brief statement which was read into the CONGRESSIONAL RECORD by the gentleman from Texas [Mr. GARNER]. It shows how many people paid Federal taxes in the year 1921, the last year for which figures are available, in the United States and in each of the several States and further shows how many people in the several States will receive the greater reduction under each of these plans. In the State of Montana, which I have the honor in part to represent, 36,907 paid income taxes in the year 1921. If the Mellon plan should be enacted into a law, four taxpayers in my State will receive a greater reduction in their taxes than they would receive if the so-called Garner bill or Democratic plan becomes a law. On the other hand, if the so-called Democratic plan or Garner bill becomes a law 36,903 taxpayers in Montana will receive a greater reduction in their taxes than they will receive if the so-called Mellon plan becomes a law.

My theory is that a bill should be framed on the basis of "the greatest good to the greatest number," and it should be passed on that basis regardless of who introduced it or whose name it bears. There is, however, a mistaken belief prevalent in the country that unless the Mellon bill is passed there will be no tax reduction by this Congress. We have been warned through the newspapers that unless the Mellon plan is followed the President will veto the bill. Of course, if the President desires to veto a tax-reduction bill or any other bill he is well within his rights under the Constitution, but because it is suggested or even threatened that such a bill will be vetoed is no reason why the House of Representatives should abrogate its constitutional rights and prerogatives to initiate and pass revenue legislation. We have our duty and responsibilities and the President has his. I am opposed to the Mellon plan and shall vote against the bill if it comes to us in anything like its present form.

It is estimated that the Mellon plan will bring about a reduction in taxes to the amount of about \$300,000,000, while the Garner bill, or Democratic plan, would bring about a reduction of about \$350,000,000. A few days ago Mr. Mellon, the Secretary of the Treasury, advised the gentleman from Texas [Mr. GARNER] as to what, in his judgment, would be the working result of these two plans as far as reduction of taxes is concerned, and who would receive the benefit of such reduction. From one of the Washington papers I take the following statement on that subject:

The Government would suffer a loss of \$347,981,491 in revenue with a reduction of taxes as suggested by the Democrats, against a loss of \$287,814,261 under the Mellon plan. Secretary Mellon informed Representative GARNER, author of the Democratic scheme, without comment in estimates announced to-day.

The principal loss, the estimate points out, would be entailed in the revenue from normal income taxes which the Garner plan would reduce by \$186,257,286, whereas the Mellon plan would result in a loss of \$77,014,854.

However, the smaller cut in surtaxes proposed by the Democrats would result only in a loss of \$139,803,195, while the Mellon plan, to reduce these taxes to a maximum of 25 per cent, would mean a loss of \$200,352,243.

Representative GARNER's plan would cut the normal rate to 2 per cent on incomes under \$5,000, instead of 3 per cent under \$4,000, as proposed by Mr. Mellon, thus accounting for the larger reduction.

#### BASED ON 1921 RETURNS.

The figures were based on the 1921 returns and showed that the greatest loss under the Garner plan would result in the taxes on incomes under \$5,000, where \$135,881,730 less revenue would be col-

lected. Reductions under the Mellon plan would save taxpayers on incomes of this amount \$50,172,577.

The estimates considered only losses in revenue resulting from reduction of income rates. Both plans provided for a reduction of about \$100,000,000 in the miscellaneous taxes and the House Ways and Means Committee already has reduced these taxes by \$103,000,000.

It will be observed from this statement that the Garner plan will leave in the pockets of the American people about \$80,000,000 more than the Mellon plan. It will also be observed that the Garner plan will save to the taxpayers who pay on the normal income—that is, the people with an income of from \$2,000 to \$10,000—\$110,000,000 more than the Mellon plan; but under the Mellon plan the superrich, the people with an income of \$100,000 or more, will save this \$110,000,000. Somebody must pay it. Mr. Mellon thinks it should be paid by the people with small incomes—I think it should be paid by the people with large incomes.

For some weeks there has been a lively correspondence between Senator COUZENS, of Michigan, and Mr. Mellon, the Secretary of the Treasury, on this question of income taxes. It is alleged that Mr. Mellon revealed the income-tax report of Senator COUZENS in this discussion, and the Senator in turn challenged Mr. Mellon to reveal his own income-tax report and to show the American people what the result of the passage of the Mellon bill would be as to his own taxes. This request was ignored by Mr. Mellon, and probably nobody knows exactly what the result of the passage of the Mellon plan would be on his own taxes.

Mr. John Carson, a very well-known newspaper man, a few days ago published in one of the Washington daily papers a statement as to how, in his judgment, the passage of the Mellon plan would affect Mr. Mellon's taxes. It is as follows:

(By John Carson.)

Secretary Mellon reported a net income to the Government of approximately \$2,000,000 in 1921.

Although Mellon declined to inform Senator COUZENS, of Michigan, as to the net income he reported and the amount of tax he paid, opponents of the Mellon tax bill in Congress say they have fairly definite information as to what Mellon reported.

#### MILLIONS.

Income-tax statistics for 1921, as published by the Bureau of Internal Revenue, show one man in Pennsylvania reported a net income between \$2,000,000 and \$3,000,000. One other man reported a net income of between \$1,000,000 and \$1,500,000.

These two Pennsylvania taxpayers reported a total net income of \$3,223,058, so that it is conceded the richest reported something around \$2,000,000. He could not have reported more than \$2,223,058, the statistics show.

Secretary Mellon is reputed to be one of the three wealthiest men in the country and certainly the richest in Pennsylvania. So the opponents of his bill insist he reported between \$2,000,000 and \$2,223,058.

#### SAVING.

Mellon's saving on his tax bill, on the basis of the 1921 reports, can be fairly accurately estimated.

On a net income of \$2,000,000 he would pay under the present law approximately \$1,101,440.

Under the tax-reduction program he proposes he would pay on \$2,000,000 approximately \$597,800.

His saving would be approximately \$503,640 under his plan.

#### DEMOCRATIC.

Under the Democratic plan he would pay approximately \$952,740. His saving would be approximately only \$148,700.

Mellon is bitterly opposed to the Democratic plan, and he has the emphatic support of President Coolidge for his plan.

In Pennsylvania during the same year 47,846 persons reported a net income of \$3,000 to \$4,000. They paid income taxes.

Some of the statisticians figure that the total reduction granted under the Mellon bill to these 47,000 persons would not equal the saving prepared for Mellon by Secretary Mellon's bill.

Of course, I have no personal knowledge as to the accuracy of this statement. From many sources, however, I am led to believe that it is reasonably accurate, and if that be so the country will naturally believe the Secretary's bill favors the rich rather than the great mass of taxpayers of the country.

It will be recalled that only one and a half years ago the revenue bill was revised and the excess-profits tax was abolished. This action relieved the ultrarich of a tax burden of about \$450,000,000, as practically nobody but the rich paid an excess-profits tax. At the same time they reduced the super-income tax from 65 per cent to 50 per cent that relieved the ultrarich of a tax of \$90,000,000, making a total reduction to

this class of taxpayers of \$540,000,000. The present Mellon tax bill proposes now to cut the superincome tax from 50 per cent to 25 per cent; in other words, it reduces these taxes 50 per cent, while the plan proposes to reduce the taxes of the people with an income of from \$2,000 to \$10,000 only 25 per cent. For my part I can not vote for such a plan.

Mr. Mellon asserts and asks us to believe that under a super-income tax of 25 per cent the Government will collect as much money as it does now under a tax of 50 per cent. If he is right in his reasoning, then he should ask to cut off the super-income tax entirely, and he would then collect more money. It is asserted by those who favor his plan that people evade the 50 per cent superincome tax, and if the same was cut to 25 per cent there would be less incentive to evade it. I can not follow him in that reasoning. Men who will evade a 50 per cent tax will, so far as they can, evade a 25 per cent tax, and if we can not collect a tax on the basis of 50 per cent we can not collect it on the basis of 25 per cent, and if we admit we can not collect it then we admit that the ultrarich of this country are more powerful than the Government. I do not believe it. The people are demanding a just and equitable reduction of taxes, and I have faith to believe that this Congress will pass such a bill, and if they do they will never pass the Mellon bill as presented to this body. It must be such a bill as will display some consideration for the man of little means and a just and proportionate consideration for the large taxpayer regardless of whose name it bears.

Mr. BYRNS of Tennessee. I yield 15 minutes to the gentleman from Alabama [Mr. JEFFERS].

Mr. JEFFERS. Mr. Chairman, not very long ago, perhaps within the past two months, in the income-tax unit of the Bureau of Internal Revenue in the Treasury Department, final audit was made of the Federal income-tax returns of Mr. Harry F. Sinclair for the years 1917 and 1918.

These returns involved, for one thing, the acquisition and sale of the stock of one of his oil companies. At the time the company was organized Mr. Sinclair was given \$5,000,000 worth of stock for the organization of the company, which stock he claimed at the time was valueless.

Within the above-named period—1917 and 1918—Mr. Harry F. Sinclair sold this stock, which had cost nothing and which he had claimed to be valueless, for the sum of \$4,000,000, and, notwithstanding the fact that this \$4,000,000 was all "pure velvet" to him, so to speak, he—Mr. Sinclair—had the nerve to claim as a loss on this stock approximately \$1,000,000, which, through pressure brought to bear by person or persons in position to wield power in the Treasury Department, was passed upon favorably by the income-tax unit and allowed as a deduction to said Harry F. Sinclair.

Mr. LUCE. Mr. Chairman, will the gentleman yield?

Mr. JEFFERS. I would prefer not to yield now.

Mr. LUCE. I did not catch the date. I wanted to know if that was while Mr. Wilson was still President?

Mr. JEFFERS. The returns were for the years 1917 and 1918; those two years. But they were just settled about 60 days ago, or within the 60 days just passed, as I understand it.

The department employees working on the case protested against passing it, as it had come down to the section where it had to be audited or reviewed, including the allowance for the above referred to loss on the stock, but, regardless of the protest, the case was passed anyhow, because of the insistence of some one high up in the department that the case be closed up, even over the protest of workers in the department who saw how rotten the case was.

I feel positively convinced that the example which I have given is a statement of what has actually happened and that it is an example of corruption existing in connection with the tax records of Harry F. Sinclair, and I will say further that I am convinced that such graft and corruption, especially in connection with big cases, has been rampant in that department of the Government for some time, and I believe that the amounts involved in certain cases have been great amounts, and that the total of the loss caused to the Government on account of corruption and crooked dealings put through that department would be a vast amount so stupendous as to be almost unbelievable.

I charge that a thorough check of Mr. Harry F. Sinclair's personal tax records made by competent authority will uncover irregularities, graft, crookedness, and corruption in connection therewith. I think it would be pertinent now to have his tax records thoroughly investigated and checked up by competent people. I believe the American people are entitled to know, especially in view of the facts and circumstances above mentioned and in view of Sinclair's connection with all that has been disclosed by the Senate committee.

The American people know now that Harry Sinclair is closely connected with the crooked dealing that has been uncovered by the Senate committee, and they have a right to know whether or not he has, with the aid and influence of person or persons in position of power in the Treasury Department, cheated the Government out of big sums of money in the way his tax records were put through in that department.

An investigation made by competent people not connected with the Treasury Department will result in startling disclosures, provided the Secretary would really take such steps as would prevent any tampering with Sinclair's tax records before such a check up could be made.

Investigation will disclose the fact that in connection with the adjustment of Mr. Harry F. Sinclair's income-tax records a revenue agent out in the field who had investigated the books and accounts of Mr. Sinclair had to come here to Washington in person for the purpose of helping to get Mr. Sinclair's tax case closed. I understand that the revenue agent made more than one trip to Washington before the matter was finally closed up. I think he made as many as three trips, if not more. Now, why was it necessary in this case for a revenue agent to have to make several trips to Washington in order to help push a case through? As a matter of fact, the revenue agent in the field has no business at all under usual and regular procedure to come here to Washington to see whether or not the people in the department approve the record he sent in here. It ought not to be necessary and I do not believe it would have been necessary in connection with Mr. Sinclair's case except for the fact that people in the department were raising strenuous objections to passing the case on account of the graft and corruption they saw in it. I believe it was because people who saw Harry F. Sinclair's tax records going through that department simply rebelled in their hearts at the idea of putting such records through on account of irregularities and crookedness, and that those people in the department were bucking on the proposition, and I believe that in order to push the case through anyhow some person or persons connected with that department, being interested in seeing Mr. Sinclair's records pushed through as they were, had this revenue agent come in from the field, having him make several trips to Washington in order to have his help in putting the case over, regardless of objections raised by conscientious workers in the department.

Mr. MADDEN. Mr. Chairman, will the gentleman yield there?

Mr. JEFFERS. Yes.

Mr. MADDEN. Has the gentleman the name of this revenue agent?

Mr. JEFFERS. No, sir.

Mr. MADDEN. I think it ought to be disclosed.

Mr. JEFFERS. Yes; it probably will be.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield?

Mr. JEFFERS. Yes.

Mr. GARNER of Texas. The Treasury Department has the name of that revenue agent. Undoubtedly it has his name.

Mr. MADDEN. There ought to be the strictest investigation made of the charge. I will help to see that it is done if I have any influence up there. [Applause.]

Mr. JEFFERS. That is fine.

Mr. BLANTON. Mr. Chairman, will the gentleman yield right there?

Mr. JEFFERS. Yes.

Mr. BLANTON. The distinguished gentleman from New York [Mr. FISH] was so kind as to offer a resolution requesting Mr. Sinclair to come back, thinking that he will come back. Mr. Sinclair is not even indicted. But if I remember correctly, there is one Grover Cleveland Bergdoll still sojourning in Europe who has already been indicted and convicted and served a little of his sentence, and we have been trying to get him back for a long time, and the men who have been trying most to get him back have been put in jail in Germany. I was wondering how much effect the resolution of the gentleman from New York would have in getting Mr. Sinclair back if he did not want to come back, and should decide to sojourn in Germany.

Mr. JEFFERS. I was just going to refer to the newspaper report about Mr. Sinclair in connection with the report about Mr. FISH's resolution.

Newspaper reports say that Mr. Sinclair is staying on the other side of the Atlantic indefinitely and that there is no truth in the report that he is returning to Washington to answer questions. He says he will not come back until he is good and ready, regardless of his connections with the revelations developed by the Senate committee.

Mr. Sinclair's defiant attitude toward our governmental agency is an example of what my friend from New York [Mr. FISH] so aptly termed "the arrogance of wealth which has



undermined public confidence in the Government," which remark he is reported to have made in connection with his resolution asking Congress to recall Sinclair.

But Mr. Sinclair is too busy now with his business matters on the other side to pay any attention to the Senate investigation, and I note from the press that one of the matters keeping him over there indefinitely happens to be important negotiations regarding the appearance in Europe of Zev, Mr. Sinclair's champion race horse.

And now I understand that Mr. Sinclair has requested of the Treasury head that an agreement be made in his case—I believe such an agreement would come under section 1312 of the revenue act of 1921—that determination and assessment in his case shall be final and conclusive. This would close the case finally, not to be reopened by the department.

If this request has been made since the oil-lease scandal started, it must be that Mr. Sinclair is afraid his income-tax records will be looked into. Why the rush to have this agreement now to have his cases marked up as having been finally and conclusively closed? The statute of limitations will go into effect on them within 60 days from now, and that would close them, but evidently Mr. Sinclair is another gentleman who feels a "little nervous" these days and so would like to have his friend, Secretary Mellon, issue the agreement right now.

Does Mr. Mellon know about big cases being put through the income-tax unit wherein gross favoritism is without doubt often shown to parties who are in positions of power in the department? Or who can exert pressure through political influence? Or through business representatives who have "pull" or influence through the right business connections?

Mr. WURZBACH. Mr. Chairman, will the gentleman yield?

Mr. JEFFERS. Yes.

Mr. WURZBACH. Has the gentleman from Arkansas any objection to giving his means of information with reference to these alleged tax frauds?

Mr. JEFFERS. I do not have any more way to obtain any information than does the gentleman from Texas, but I will say this to the gentleman from Texas, that if he will stir around and keep his ears to the ground and his eyes open, he will certainly learn of the righteous indignation and disgust and discontent that is in the income-tax unit now because of things they see getting by down there.

Mr. WURZBACH. I will admit that I have not the information which the gentleman states he has, and I want to help him, as do all Members of Congress, and I merely wanted to know if the gentleman had any objection to giving the names of the persons who furnished him with this information.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield?

Mr. JEFFERS. Yes.

Mr. GARNER of Texas. Let me say to my colleague from Texas [Mr. WURZBACH] that if he is really anxious to look into the matter, we have a committee known as the Committee on Expenditures in the Treasury Department, which could investigate, as the gentleman from Illinois [Mr. MADDEN] has remarked.

Mr. WURZBACH. I asked the question, if that is the purpose, so that if that is the proper committee to which to give the names of those persons I hope the gentleman from Alabama will furnish that committee with this information.

Mr. OLIVER of New York. I hope the gentleman will not do that until he has complete assurance that those people will be protected in their positions. I think if an investigating committee gets the papers in Mr. Sinclair's case that would be better than getting the clerks.

Mr. GARNER of Texas. The Treasury Department knows who that Treasury agent is who was brought from the field.

Mr. LUCE. Mr. Chairman, will the gentleman yield?

Mr. JEFFERS. Yes.

Mr. LUCE. Why was it that some three or four years after this fraudulent return was made, while the department was still in the hands of the Democrats, no investigation was made in the matter?

Mr. JEFFERS. I will say to my friend—

Mr. LUCE. Will the gentleman state when the sale of that stock was made?

Mr. JEFFERS. The case, my friend, was settled just about two months ago, I think, or maybe not quite that long ago.

Mr. LUCE. I was not asking that. I was asking why, for three or four years, the Democratic administration took no pains to ascertain the facts.

Mr. JEFFERS. Well, there is the trouble right now; you are trying to throw this thing into some sort of a partisan chan-

nel. Let it go that way if you want to. If you wanted things investigated then, why did you not investigate then? I am talking about things as they are going on now. I am making a plain statement. I do not care who may get hit; all I hope is that we can turn the light on those records as they now stand.

Mr. LUCE. I was asking you for a plain statement of fact.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. JEFFERS. Yes.

Mr. WINGO. Possibly the reason why it was not reached during the Democratic administration is the reason for the delay for three years under the Republican administration.

Mr. JEFFERS. That may be so.

Mr. LUCE. May I ask the gentleman this question?

Mr. JEFFERS. Yes; what is it?

Mr. LUCE. Why, for three years after this fraudulent return the Democratic administration of the Treasury Department made no investigation of the facts?

Mr. JEFFERS. I do not know that it was a fraudulent one away back there where you are talking about. I do not know anything about that, and did not say anything about that time.

It was the settlement at the end of the matter that contains the corruption. I do not care to go into this thing about any particular administration. I did not inject any partisan stuff in these remarks. Everything might have been all right. The case was not put through because some people in the department protested and objected, and then, after all, the case was settled over the protest of people in the department who saw what was in it.

Mr. LUCE. I did not ask you that question. I asked you why there was no action when the gentleman's party was in power?

Mr. WINGO. What year did you refer to that this return was that was passed on?

Mr. JEFFERS. Nineteen hundred and seventeen and nineteen hundred and eighteen.

Mr. WINGO. I presume the gentleman from Massachusetts [Mr. LUCE] understands the congestion which has existed there, and that ever since this administration has been in power they have been insisting it takes a great deal of time to consider these cases.

Mr. LUCE. If the gentleman will yield, I say the congestion arose under the Democratic administration, and we have been for three years trying to do the work which should have been done when the present administration came into power.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield the gentleman two additional minutes.

The CHAIRMAN. The gentleman from Alabama is recognized for two additional minutes.

Mr. JEFFERS. I thank the gentleman. I will endeavor to finish my statement if the gentleman from Massachusetts is finished trying to inject partisan talk into my remarks.

Now, then, if Mr. Mellon should claim that he does not have any such knowledge of such happenings and such cases I will say to him that he does not know then what is common knowledge amongst the people who work in his department and who see and know what is actually going on with reference to the settlement of income-tax cases, wherein such gross favoritism has, without doubt, been shown.

Mr. OLDFIELD. Will the gentleman yield?

Mr. JEFFERS. Yes.

Mr. OLDFIELD. Would the gentleman have any objection to the Committee on Expenditures in the Treasury Department going back two, three, or four years and investigating?

Mr. JEFFERS. Oh, no; of course not. I do not care how far they go back. Now, I want to say to you gentlemen that the morale of the people in the income-tax unit is all shot to pieces at this time, and you can find that out very easily. That is a flat statement which I make and one that any one of you gentlemen can verify, that the morale of the people in the income-tax unit is now shot to pieces. And why? Because honest American citizens who work down there see things going through that unit which cause the souls of conscientious and patriotic Americans who love their Government to revolt and to cry out in horror at the way things are handled. What can they do? They protest, but to no avail. The honest protests of workers in the unit are often overcome or brushed aside by such things as confidential rulings, special opinions, arbitrary decisions by higher-ups, or sacred decisions issued by some conference.

Mr. MORGAN. Will the gentleman yield?

Mr. JEFFERS. No, I will not yield; I am trying to get through.

Does the Secretary of the Treasury know of these conditions? I believe he does. And I believe he knows of the facts and circumstances connected with Harry F. Sinclair's personal-tax records, too. I believe a complete check up of those records will disclose rottenness that will be a shocking revelation to the American public, and I hope we can have such an investigation by competent authority who will really investigate it, have it checked by people competent to do the work thoroughly and right, and get some assurance, if possible, from the Secretary of the Treasury that the records will not be tampered with before the whole thing is checked.

Mr. Chairman, I yield back the balance of my time.

Mr. MADDEN. Mr. Chairman, I yield one minute to the gentleman from Massachusetts [Mr. PAIGE].

The CHAIRMAN. The gentleman from Massachusetts is recognized for one minute.

Mr. PAIGE. Mr. Chairman, I am fearful that those who have listened to the speeches of the gentleman from Alabama [Mr. JEFFERS] and the gentleman from South Carolina [Mr. STEVENSON] will be inclined to despair of this Republic. The gentleman from South Carolina quoted from Senator Hoar, of Massachusetts, and I want to quote from Senator Hoar. There stands in historic Concord, in Massachusetts, in Sleepy Hollow Cemetery, a monument erected to Massachusetts's great Senator, George F. Hoar, and inscribed upon that monument, in enduring bronze and granite, are these words:

Finally, I believe a Republic to be greater than an empire, and though clouds darken the horizon, I believe to-day is better than yesterday and to-morrow will be better than to-day.

My friends, let us see to it that that prophecy comes true, and in the discussions upon this floor let us face the sunrise rather than the sunset. [Applause.]

Mr. MADDEN. Mr. Chairman, I yield one minute to the gentleman from Washington [Mr. SUMMERS].

The CHAIRMAN. The gentleman from Washington is recognized for one minute.

Mr. SUMMERS of Washington. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 30 minutes to the gentleman from Oregon [Mr. WATKINS].

The CHAIRMAN. The gentleman from Oregon is recognized for 30 minutes.

Mr. WATKINS. Mr. Chairman, I rise for the sole and single purpose of submitting some observations on what I believe to be the most important question confronting the American people, namely, the immigration problem. There are pending before this House a score of measures dealing with this most vital matter. The Committee on Immigration has been holding meetings nearly every day since the convening of this session of the Congress, and one has but to sit there in that committee to visualize the prejudices, the diversities, the complexities, the manifold ramifications of this all-towering, planet-wide, paramount question.

It is a matter, Mr. Chairman, which concerns every man, woman, and child, not only in the United States but throughout the whole world, because enveloped in it is race supremacy. It is vitalized because it affects every phase of our economic, social, and political life; it is fundamental because in it are rooted all foreign and nearly all domestic questions; it is paramount because on it is actually bottomed the very perpetuity of our own matchless American Government.

There is no panacea for our affliction, since our troubles are chronic and complex, but we face the supreme moment in the affairs of our beloved country, and consequently our duty is passing imperative. It is necessary that we set our own house in order, for if we do not the beginning of the end will soon dawn, because in the place of our sturdy pioneer race will rise a mongrel one, an unstable and bastardized population, where character and merit would have no recognition to leadership, but might and greed only would be supreme.

The Committee on Immigration, of which I have the honor to be a member, has already prepared a bill known as H. R. 6540, purporting to alleviate the perils and mitigate the dangers confronting and encompassing us.

In order that you may approach, solve, and settle this matter from the standpoint of the United States, and the United States alone, and to the end that you may visualize the menace enveloped in this dominant question, let me here and now submit to you some facts most pertinent and germane to the question.

This is a nation of something over 105,000,000 persons, divided as to color and nativity as follows:

Approximately 58,000,000 are native white, of native parentage.

Approximately 37,000,000 are foreign born or of foreign-born or mixed parentage.

Approximately 10,000,000 are colored people.

Approximately 1,000,000 of other races.

In New York City 53.4 per cent of the male population 21 years of age and over is foreign born. (Census Monograph I, p. 106.) In the great State of Illinois the foreign-born male population 21 years of age and over nearly doubles the native white male 21 years of age and over, the foreign born totaling 613,797 whereas the native whites only number 344,319. (Statistical Abstract, U. S., 1921, p. 48.) Twenty-nine per cent of the total population of Rhode Island is foreign born; 28.3 per cent of the total population of the State of Massachusetts is foreign born; 27.4 per cent of the total population of the State of Connecticut is foreign born; 25.5 per cent of the total population of the whole of New England is foreign born. (Statistical Abstract, U. S., 1921, p. 73.)

Bearing in mind these percentages, together with the foreign born's propensity to prolific multiplication, coupled with the native born's tendency to race suicide, one does not need a very fertile imagination to visualize the already existence of a majority of the population of foreign blood. In fact, the census shows that over 60 per cent of the population of New England is of foreign stock; 62 per cent of New York is of foreign stock; 58 per cent of New Jersey is of foreign stock.

Mr. OLIVER of New York. Will the gentleman state whom he regards as native born, so that I may get the distinction?

Mr. WATKINS. Those who are born here.

Mr. OLIVER of New York. Whether they are born of parents who were born in Europe or not?

Mr. WATKINS. I said native whites of native whites. I consider a person born abroad as foreign born.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. LA GUARDIA. Will the gentleman kindly explain that? The gentleman raises two points which I do not quite understand—that is, the tendency of race suicide by the influx of immigrants and then race supremacy. To just what race does the gentleman refer?

Mr. WATKINS. I am talking about all foreigners in this country.

Mr. LA GUARDIA. As distinguished from what?

Mr. WATKINS. As distinguished from native whites of native parentage.

Mr. LA GUARDIA. Of the first generation?

Mr. WATKINS. No; I said native whites of native parentage.

Mr. LA GUARDIA. Of the second generation?

Mr. WATKINS. It would make no difference what generation.

Mr. LA GUARDIA. I am trying to get the distinction the gentleman makes between the races. When the gentleman refers to a foreign race he is making a distinction as to what race?

Mr. WATKINS. The native white, born of native parentage.

Mr. LA GUARDIA. What race is that?

Mr. WATKINS. Those who founded and built this country, whether they came here in 1760, 1870, or 1890; they might be English, French, Irish, Germans, or Italians. I am talking about native whites of native born; I can not make it any plainer than that; all of the native whites of native parentage.

The foreign born are not scattered uniformly over and throughout the United States, but, on the contrary, are congested in our cities and employed in our basic industries to such an extent that they present a menace to the very social, economic, and political life of our country.

The 1920 census discloses that 72.9 per cent of the foreign-born population is located in Wisconsin, Michigan, Illinois,



Indiana, Ohio, Pennsylvania, New Jersey, New York, and the New England States; and 59.3 per cent is located in Wisconsin, Michigan, Illinois, Indiana, Ohio, Pennsylvania, New Jersey, and New York (Census Monograph I, p. 104).

That is, one parent or both coming from a foreign shore and are foreign born themselves.

The 1920 census further discloses that the following cities have more foreign-born whites than native whites of native parentage, the numbers being as follows (Statistical Abstract, U. S., 1921, pp. 55-57):

City.	Native white of native parentage.	Foreign-born white.
New York City.....	1,164,834	1,991,547
Boston.....	181,811	238,919
Chicago.....	642,871	805,482
Cleveland.....	212,247	239,538
Providence, R. I.....	63,728	68,951
Fall River, Mass.....	19,168	42,331
Lawrence, Mass.....	12,325	39,063
New Britain, Conn.....	11,161	21,230
Passaic, N. J.....	8,816	26,365
Paterson, N. J.....	31,824	45,145

To illustrate the native whites' loss of ground and the foreign born's gain, I cite the report of the Secretary of Labor of this year, which shows that in 1870 the number of native born of native parentage in the State of Connecticut was 333,804, or 62.1 per cent, whereas the 1920 census discloses 470,411 native born of native parentage, a percentage of 34.1 of the total population of that State.

In many of the basic industries we find the foreign born outnumbering the native born to an alarming degree. In the copper mines we find 65.4 per cent foreign born. What I mean by that is that out of every 100 persons employed in that industry 65 are foreign born, and the same thing applies to these other percentages.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. LAGUARDIA. Would it be preferable to have natives in the mines?

Mr. WATKINS. It would not be preferable to have aliens in the mines.

Mr. LAGUARDIA. What is the point the gentleman is trying to demonstrate?

Mr. WATKINS. I am trying to demonstrate here by my argument that we have too many aliens in this country and that we want more of the American stock upon this continent.

Mr. LAGUARDIA. To put them in the mines?

Mr. WATKINS. To put them in any and in every industry.

Mr. LAGUARDIA. Has the gentleman any figures showing there are natives seeking to work in these copper mines who are being displaced by these aliens?

Mr. WATKINS. Since the gentleman from New York, my good Republican friend, has been in this House there have been hundreds of thousands of people out of employment in this country seeking work. I claim, and I propose to cite the record to show, that the alien born have driven the native born out of these industries.

Mr. LAGUARDIA. That is not in keeping with the report of the Secretary of Labor.

Mr. WATKINS. I am citing the report of the Secretary of Labor as well as the census report.

Mr. LAGUARDIA. The gentleman has referred to unemployment, and has said that hundreds of thousands have been kept out of employment by aliens, and I think in all fairness the gentleman should state in what industries and where, if the gentleman wants to put American stock in such work.

Mr. WATKINS. I have not the time to show you the percentages or how many there were in 1830, 1840, 1850, 1860, 1870, or 1880 according to the census. I simply gave you the illustration of the State of Connecticut and told you that mirrored the situation throughout the United States. There in Connecticut the native born decreased from 62 per cent to 34 per cent, and that is the situation in many industries throughout this country.

Mr. LAGUARDIA. What does the gentleman expect in a new country?

Mr. WATKINS. I expect this Congress to rise to the proper standard of Americanism and legislate in the interest and for

the perpetuity of this country. [Applause.] That is what I expect of this Congress.

Mr. LAGUARDIA. Does not the gentleman know that the standard has been raised by immigrants in different periods of the country's development?

Mr. WATKINS. The contrary is the truth. It has been lowered.

Mr. LAGUARDIA. Where?

Mr. WATKINS. Nearly everywhere—wherever the alien has entered in overwhelming numbers, I assert that the standard of our communities, our schools, our factories, and our States has been lowered.

Mr. LAGUARDIA. Is not this country made up of immigrants, no matter what period of history you take?

Mr. WATKINS. Well, to an Indian, I presume you will have to admit that immigration swept him from these shores, but it is the immigration and the numbers thereof that we are getting lately, the faults of which I am trying to point out.

Mr. LAGUARDIA. I wish the gentleman would carry out that idea and give us the figures with reference to this unemployment.

Mr. MORGAN. Will the gentleman yield?

Mr. WATKINS. Yes; just for a question. I have not much time.

Mr. MORGAN. The aliens to which the gentleman particularly objects are those who refuse to become American citizens or can not be assimilated in this country as Americans?

Mr. WATKINS. For the most part; yes. They are the main ones.

Mr. OLIVER of New York. Will the gentleman yield?

Mr. WATKINS. For a question; yes.

Mr. OLIVER of New York. Would the gentleman give the figures, if he can, of the aliens in the Army of the United States in the last war as contrasted with those in the industries of the United States?

Mr. WATKINS. I have not the time to give those figures. I have them here in the record. I will let the gentleman give that information to the House; if he is holding a brief for the aliens, then my good Republican friend can do that later.

Mr. OLIVER of New York. I would be glad to hold a brief for the aliens in this country.

Mr. WATKINS. I am holding a brief for the American citizen.

Mr. KINCHELOE. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. KINCHELOE. I am in hearty sympathy with the position of the gentleman. I think there are too many aliens in this country now who are not loyal to our flag, and I was wondering, the gentleman being a member of the Immigration Committee, whether when the immigration legislation comes upon the floor, we would have an opportunity to vote on the proposition of whether we will stop immigration entirely in this country for the next two or three years in order to assimilate what we have now.

Mr. WATKINS. Before I finished I expected to answer that question and tell the gentleman just what he would have to vote on, but since he has asked the question, and in order that it may be answered now, I will say that the gentleman may have a chance to vote on suspension of immigration. If I had had my way, that is the very bill that would have been written and presented here, but the bill that is written will be based upon the 1890 census, allowing 2 per cent of that number to come in plus 200. For instance, if Greece, according to the census of 1890, is entitled to have 100 people enter under this proposed bill, she would then be allowed 300.

Mr. KINCHELOE. It will be a selective system, practically—the same as the present law.

Mr. WATKINS. It will be selective in a degree.

Mr. WINGO. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. WINGO. Does the gentleman know of any thoughtful student of this question who differs with what I thought was general knowledge of the correct conclusion that there is a very clear distinction between the immigration that came here prior to 20 years ago and what has been coming during the last 20 years? Is it not true that all students agree that there is a clear distinction?

Mr. WATKINS. Exactly so.

Mr. WINGO. By character and their effect on our institutions and their views and their willingness to be assimilated

and to accept our theory of government and our institutions and our ideas of life.

Mr. WATKINS. Exactly so; and not only their willingness but their ability to assimilate and to be absorbed into our life, and the best proof of that and the most eloquent testimony that you can find upon that subject is that given by the Naturalization Bureau of the Department of Labor, wherein it is disclosed that the immigration coming from northern Europe shows a naturalization percentage of 50 per cent upward, whereas the immigration coming from the countries in southern and eastern Europe shows a percentage of naturalization from 50 per cent down, with some as low as 7, 9, and 12 per cent. In other words, of a total of 100 people of a certain nationality, only 12 are naturalized.

Now, Mr. Chairman, in many of the basic industries we find the foreign born outnumbering the native born to an alarming degree. In the copper mines we find 65.4 per cent foreign born. In the iron mines we find 66.7 per cent foreign born. In the clothing industry we find 66.5 per cent; in copper factories, 63.7 per cent; in the hemp and jute mills, 60.7 per cent; in the sugar refineries we find 53.2 per cent. In the steel and blast mills we find 50.3 per cent foreign born and in the charcoal and coke industry 57.1 per cent foreign born, while in agriculture we find only 8.1 per cent foreign born.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. LA GUARDIA. Are not the other industries just as necessary?

Mr. WATKINS. Certainly; yes.

Mr. CLEARY. Will the gentleman yield?

Mr. WATKINS. I will.

Mr. CLEARY. Suppose you cut out all of the foreign born from industries, what would be the situation?

Mr. WATKINS. Immigration into this country never helped us so far as population is concerned; we would have more people here now—and they would be native born—than we have to-day if this great influx of immigration since 1870 had never occurred. I will cite you the statistics as well as authorities on that question.

Mr. LA GUARDIA. I hope the gentleman will explain his last point.

Mr. CLEARY. I am a good deal older than the gentleman from Oregon. I remember years before he was born that it was the foreigners that built the railroads and the canals in this country. It is foolish talking about excluding the foreigners if you want labor.

Mr. WINGO. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. WINGO. In the gentleman's judgment as a student of the question, which is more important—the furnishing of cheap labor to industry or the maintenance of American standards of government and civilization?

Mr. WATKINS. The latter by all means. It is not necessary for a man to make profits. So many people in this country are thinking about developing an industry that they forget that importing cheap labor and people alien to our institutions, to our methods of government, is stifling unborn children and preventing them from having the privileges they ought to have in this country. [Applause.]

Mr. KVALE. Will the gentleman yield?

Mr. WATKINS. I will yield to the gentleman.

Mr. KVALE. What people was it that built up the great Northwest? Was it the descendants of the *Mayflower* or the so-called aliens?

Mr. WATKINS. I will say that it was the children of the people who came over in the *Mayflower*, or their kind, who built not only the great Northwest but the whole of this great country.

Mr. KVALE. The gentleman is in error; it was the immigrants who built up the great Northwest.

Mr. WATKINS. I yielded to the gentleman for a question, but not for an argument. Now, Professor Laughlin has made a report on this to show the kind of people we have here. You will note that the figures I have given you show practically 10 per cent of the population to be foreign born. So if you find 100 men in jail you would think that not over 10 were foreign born. I will read what the fact is:

The percentage of alien stock—that is, the persons of foreign birth and those with one or both parents of foreign birth—who are found in custodial institutions by our present survey amounted to 44.9 per cent of the whole institutional population. These persons are generally designated as foreign stock. On the same plan of reasoning we find

that the foreign stock in State custodial institutions—excluding municipal and private institutions of all sorts—is costing the several State governments 7.63 per cent of all of their expenditures for all purposes.

I understand the city of New York, the city of my good friend Mr. LA GUARDIA, is now contemplating bringing a suit for the collection of millions of dollars against the United States Government for allowing so many aliens to come into the country who are entering charitable institutions of the State of New York, yet here we have the spectacle of people in New York urging the Immigration Committee, Members of Congress, to let more aliens into this country.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. LA GUARDIA. The gentleman talks about the claim of the city of New York. Does the gentleman know that these unfortunate aliens are inmates of the insane asylums on account of the industrial conditions that put them there?

Mr. WATKINS. I do not know that, despite the fact that I have given the subject considerable study.

Mr. WINGO. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. WINGO. If that condition is true as the gentleman from New York states, certainly you ought not to add to it and make it worse by bringing in more?

Mr. WATKINS. Certainly. He writes his own indictment.

Mr. WEFALD. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Yes.

Mr. WEFALD. I am in sympathy with some of the things the gentleman has said—

Mr. WATKINS. God bless the gentleman; may his tribe increase; 90 per cent of the American people are likewise sympathetic.

Mr. WEFALD. I wish to find out if I understood the gentleman correctly. I think he stated that when there had been an influx of foreigners it always lowered the American standards.

Mr. WATKINS. I think the gentleman must have misunderstood me in that. I do not mean to say that every foreigner who gets here would lower the American standard. I said this great overwhelming influx of immigration into this country has a tendency to lower our standards.

Mr. WEFALD. If I were correct, I wanted to know whether the gentleman thinks the great Middle Northwest has suffered any from the influx it has had from northern Europe?

Mr. WATKINS. I would say the Northwest has not suffered much from any kind of immigration, because the percentage there is very small.

Mr. WEFALD. It is not small with foreign born.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Yes.

Mr. BLANTON. What is lowering the American standard is this: During the war I watched a parade in the city of New York which lasted from 9 o'clock in the morning until 7 o'clock at night, made up of a solid mass of people, all foreigners, continually marching.

Mr. LA GUARDIA. In the Army?

Mr. BLANTON. Oh, no.

Mr. WATKINS. Mr. Chairman, on January 1, 1910, the census will disclose that there were 10,588 prisoners in penal or reformatory institutions in New England, and that 36 per cent of them were foreign born. In the Middle Atlantic States that same document will disclose that there were 23,673 in like institutions, and that 31 per cent of them were foreign born. In the east North Central States there were 16,250 in penal institutions and 20 per cent of them were foreign born. The Attorney General's report for the fiscal year 1923, just distributed, states that of the prisoners received there were 1,975 foreign born and 1,511 native born. I am saying to you and to the American people that the percentage is too great in view of the fact that the foreign born constitute only 10 or 11 per cent of our total population.

Mr. OLIVER of New York. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Yes.

Mr. OLIVER of New York. I want to know whether the Attorney General's basis of what is foreign born is the same as the gentleman's basis, because that is an expression that is very often loosely used.

Mr. WATKINS. I can not say what the Attorney General meant. I do not generally hold a brief for him, but when he uses plain English I think he means foreign born in the same sense as used by me.



Mr. OLIVER of New York. The gentleman will understand that while it is plain English it very frequently covers everybody with a foreign name.

Mr. LITTLE. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Yes.

Mr. LITTLE. The gentleman would not consider a Scotchman a foreigner and alien in this country?

Mr. WATKINS. If he is foreign born he would be. Of course he generally amalgamates very quickly and soon becomes a good citizen.

Mr. CLARKE of New York. And where do us Irish come in? [Laughter.]

Mr. MORGAN. Is it not a fact that of the aliens who are in this country, foreign born, approximately 11,000,000 of them have refused to become citizens of the United States?

Mr. WATKINS. I can not say that I know that. I can say that there are 6,000,000 of them that are not naturalized.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Yes.

Mr. WINGO. Is not this something that all agree upon, that however good may be the character of some who come, the statistics show beyond any question that there is a clear distinction between the character of the immigrants that have come here in the last 20 years and those who came before; that the statistics of the penal institutions show—that is, the current statistics—that whatever may be the good character of some that come, there is a large number coming here that are unfit for citizenship? And is there not the further thing that gives greatest concern, that there are large numbers of them, whatever may be their personal character and integrity, who are against assuming American customs and habits and the duties and responsibilities of American citizenship? Are not those the two things that are most disturbing men who have no prejudice on the question, but who are studying it solely from the standpoint of its effect upon our institutions?

Mr. WATKINS. I think that is the situation. I desire to say here and now that I do not condemn every foreign born and every alien. That is not the case. I have some of the finest Italians in the world in my district; I have some of the finest people of every nationality in my district; but I am simply trying to carry home to this House the fact that we have here in this country more aliens than we can assimilate. There are too many for our institutions and for our Government, and I am not laying an indictment against every alien and foreigner in our country; but, as the gentleman from Arkansas has stated, there are too many. We can not assimilate them, we can not absorb them, they are not our kind. Now, the next table is, it seems to me, a more vicious indictment than the last one. That table discloses 11,088 people in the almshouses in New England; 5,706 were foreign born, more than 50 per cent. In the Middle Atlantic States 23,772 were found in the poorhouses; 11,712 of them were foreign born. In the East North Central States 21,358 were in the poorhouses, and of these 8,388 were foreign born. There were 6,366 in the West North Central States, of whom 2,371 were foreign born. This same document discloses that in New England there were 289,700 illiterates, and of that number 257,207 were foreign born. In the Middle Atlantic States there were 865,382 illiterates, and the foreign born were 760,010. Those were illiterate persons 10 years of age and over.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WATKINS. Could I have more time?

Mr. BYRNS of Tennessee. The gentleman is making a most interesting and most instructive speech, and one in which we are all deeply interested, but we propose to end general debate this evening, and there are one or two more to be heard. Can the gentleman get along with 10 minutes?

Mr. MADDEN. We are very anxious to close general debate. We have been very liberal, and we have two or three more speeches.

Mr. WATKINS. I will try to finish in 10 minutes.

Mr. BYRNS of Tennessee. I yield the gentleman 10 additional minutes.

Mr. WATKINS. In the East North Central States there were 495,470 illiterates, of whom 342,832 were foreign born. In the West North Central States there were 193,221, of whom 86,760 were foreign born.

Mr. LaGUARDIA. Will the gentleman yield for a question?

Mr. WATKINS. No; I have not the time.

Mr. Chairman, to expedite matters I will insert at this point data on aliens which will prove most instructive.

#### ALIEN DATA.

*Illiterate persons, 10 years of age and over, 1920.*

	Total.	Native parents.	Mixed parents.	Foreign born.
New England.....	289,700	33,185	13,759	257,207
Middle Atlantic.....	865,382	82,924	24,918	760,010
East North Central.....	495,470	88,703	28,390	342,832
West North Central.....	193,221	59,954	14,673	86,760
South Atlantic.....	1,212,942	352,907	3,878	39,757
East South Central.....	854,459	299,025	2,626	6,457
West South Central.....	773,637	199,403	35,021	128,725
Mountain.....	132,659	35,163	5,697	55,422
Pacific.....	123,435	8,516	4,690	86,570
Grand total.....	4,931,905	1,109,875	132,697	1,763,740

Negro illiterates, all sections, 1,842,161.

Statistical Abstract of United States, 1921, Table 48, page 78.

*Paupers in public almshouses on January 1, 1920.*

	Total.	Native white.	Foreign born.	Negro.	Others.
New England.....	11,886	5,697	5,706	178	5
Middle Atlantic.....	23,772	11,869	11,712	678	13
East North Central.....	21,358	12,738	8,388	716	16
West North Central.....	6,366	3,644	2,371	342	9
South Atlantic.....	8,100	4,458	644	2,578	6
East South Central.....	4,266	2,676	232	1,356	2
West South Central.....	1,630	983	263	352	27
Mountain.....	1,652	829	701	49	13
Pacific.....	5,562	2,415	2,993	62	92
Grand total.....	84,198	44,609	33,125	6,281	183

Statistical Abstract of United States, 1921, Table 46, page 77.

*Sentenced prisoners in penal or reformatory institutions on January 1, 1910.*

	Total.	Native white.	Foreign born—		Negro.	Others.
			Num-ber.	Per cent.		
New England.....	10,588	6,314	3,814	36	433	27
Middle Atlantic.....	23,673	13,042	7,486	31.8	3,101	44
East North Central.....	16,250	10,396	3,257	20	2,735	62
West North Central.....	9,329	6,039	1,116	11.95	2,095	79
South Atlantic.....	17,878	3,752	407	(1)	13,710	9
East South Central.....	11,341	2,574	69	(1)	8,698	.....
West South Central.....	9,602	2,926	473	(1)	6,081	122
Mountain.....	4,503	2,926	1,107	24.4	336	134
Pacific.....	6,430	4,415	1,480	23	289	246
Grand total.....	111,498	53,359	19,438	17.43	37,674	827

<sup>1</sup> Less than 10 per cent.

Statistical Abstract of the United States, 1921, Table 46, page 77.

Attorney General's Report, 1923, for fiscal year, states that of prisoners received there were 1,975 foreign born, and 1,511 native born.

*Insane in hospitals on January 1, 1910.*

	Total.	Native white.	Foreign born.	Negro.	Others.
New England.....	19,580	12,604	6,639	314	23
Middle Atlantic.....	52,380	30,939	19,872	1,529	49
East North Central.....	41,246	28,096	12,151	970	29
West North Central.....	22,683	14,899	7,133	579	72
South Atlantic.....	19,952	13,159	1,475	5,308	10
East South Central.....	9,759	6,938	282	2,537	2
West South Central.....	8,413	6,096	720	1,531	66
Mountain.....	3,574	2,047	1,422	57	48
Pacific.....	10,204	5,350	4,402	94	358
Grand total.....	187,791	120,123	54,095	12,910	657

Statistical Abstract of the United States, 1921, Table 46, page 77.

To-day, Mr. Chairman, America has approximately 6,000,000 unnaturalized foreigners within her borders. Fifty-one and four-tenths per cent of the population of the United States live in cities; 48.6 per cent live in the country. There are more than 2,000 newspapers and periodicals printed in foreign tongues in the United States.

Now, Mr. Chairman, what indictment do these figures write against us? None other, sir, than that we have been traitors to our trust, miserable miscreants worshipping at the shrine of Mammon and thinking of prosperity instead of posterity; because, I tell you, sir, that these statistics demonstrate beyond

the peradventure of a doubt that the foreign born within the hollow of his hand holds the destiny of this mighty Nation, for you know, sir, that the balance of power in this country rests in a few of our industrial States. You also know that these various States are controlled by the respective industrial centers therein, and if within these industrial centers a majority of the people are foreign born, then in the final analysis the foreign born is supreme.

Mr. Chairman, these are just some of the unhealthy conditions lurking in our midst. I could go on and on and on delineating circumstances in our industries, our cities, and our Commonwealths which would make our American blood shudder to ponder the consequences. The facts submitted warrant us in directing our attention to the question and dedicating our talent to its solution. It is not a partisan question, but one demanding the unadulterated Americanism of every last American in this great American land.

We do not, as a matter of fact, need any more immigration; we have had too much already; the authorities agree that foreign immigration into this country has from the time it assumed large proportions amounted not to a reinforcement of our population but to a replacement of native by foreign stock. For example, take the increase of the Northeastern States during the heavy influx of immigration and the increase of the population of the South, where no immigration to speak of occurred, and you will find that the South increased in population as fast as those States which received large numbers of immigrants.

The 13 Southern States have received practically no foreign immigrants during the last 50 years; still its population has increased at the rate of something over 30 per cent per decade, whereas the population of the North has not increased so fast despite the fact that over 75 per cent of foreign immigrants have settled there. (Hearings, House of Representatives, on immigration, Sixty-first Congress.)

In other words, in 1870 the white population of the United States native and foreign born combined was 33,589,377. Of this population, 6,518,012 were enumerated in the 13 Southern States. In 1900 this white southern population of native parentage had increased to 13,903,622. If the same ratio had prevailed throughout the United States, we should have had in 1900 a total of 71,543,373 whites instead of 66,809,196, of which number 10,341,376 were foreign born, leaving 56,500,000 white native born instead of 71,545,373 we would have had if no immigration had been allowed. In other words, the southern white population multiplied two and thirteen one-hundredths times, while that of the North increased only one and nine-tenths times. Let us particularize. The foreign-born population of North Carolina is less than 1 per cent. It ranks fourteenth in population, although it was twentieth a generation ago. It stands first in per capita value and per acre value of the annual acreage planted. It has less foreign born within its borders than any State in the American Union. It leads all other States in obedience to law. The contrary is true of our American cities. Why is New York and every great city in the American Union to-day in rebellion against the eighteenth amendment and the Harrison Narcotic Act? None other, sir, than that these cities are not American but alien, not only in name but in ideals, thoughts, speech, and aspirations.

Let me remind you that it did not require immigration to make England industrially great; and Germany made her greatest strides industrially without the help of any stock foreign to her land. The trouble with all these advocates for more immigrants is that they are thinking of profits and not posterity, save and except a few who, because of sentiment and race, are battling for their kith and kin.

It has been somewhere said that necessity is the mother of invention. Whenever we say to our people and to the world that we propose to save this land for posterity, even at the sacrifice, if need be, of profits, then will there be devised means and methods of doing and performing labor now done by hand by the substitution of machinery. More than that, whenever we clean house and let the American boy and girl know that Americans are and are to be on the jobs, then you will see them performing the labor in every line of industry in this fair land of ours.

And yet, despite the figures I have here submitted, and in the very face of the alarming conditions hovering over us, you will find men in this Congress advocating the 1917 act with practically no restrictions whatever; others prefer the quota principle, but advocate the census of 1920, while others champion the census of 1910, others 1900, while the majority think they prefer 1890. In order that you may appreciate the import of these several proposals, permit me to submit for your con-

sideration tables showing the number of aliens the respective plans would admit annually into the United States on a given percentage:

*Estimated immigration quotas based on census reports of 1890, 1900, 1910, and 1920.*

2 PER CENT PLUS 200 FOR EACH NATIONALITY.

"The term 'quota' when used in reference to any nationality means 200, and in addition thereto 2 per cent of the number of foreign-born individuals of such nationality resident in the United States as determined by the United States census of —."

[Printed for the use of the Committee on Immigration and Naturalization, House of Representatives.]

Country or region of birth.	Estimated quotas based on 2 per cent of census.				Present law.	Naturalization.
	Census of 1890.	Census of 1900.	Census of 1910.	Census of 1920.	3 per cent of 1910 census.	Census of 1920. <sup>1</sup>
Albania.....	204	221	392	312	288	208
Armenia (Russian).....	217	241	352	519	230	411
Austria.....	1,190	1,991	5,094	11,610	7,451	4,539
Belgium.....	708	849	1,242	1,456	1,563	815
Bulgaria.....	200	200	402	411	302	225
Czechoslovakia.....	2,073	3,631	11,572	7,450	14,557	3,520
Danzig, Free City of.....	423	414	400	350	301	200
Denmark.....	2,982	3,398	3,946	3,944	5,619	2,816
Estonia.....	345	3,437	1,008	1,584	1,348	200
Finland.....	302	1,465	2,814	3,213	3,921	1,438
Flume, Free State of.....	210	217	248	310	71	200
France.....	4,078	3,834	4,020	3,277	5,729	1,935
Germany.....	50,329	48,181	45,272	33,905	67,607	24,754
Great Britain, North Ireland, Irish Free State.....	62,658	55,924	51,762	43,729	77,342	28,157
Greece.....	235	359	2,242	3,725	3,294	790
Hungary (including Sopron district).....	688	1,332	4,032	8,147	5,638	2,515
Iceland.....	236	242	250	250	75	200
Italy.....	4,089	10,315	28,233	32,415	42,057	9,255
Latvia.....	317	471	1,226	1,781	1,540	200
Lithuania (including Memel region and part of Pinsk region).....	502	755	1,952	2,901	2,460	1,093
Luxemburg.....	258	261	262	452	382	332
Netherlands.....	1,837	2,100	2,604	2,838	3,607	1,675
Norway.....	6,653	6,957	8,334	7,525	12,202	5,085
Poland (including Eastern Galicia and part of Pinsk region).....	9,072	16,377	20,852	23,002	26,862	6,788
Portugal (including Azores and Madeira Islands).....	674	1,116	1,844	1,716	2,465	421
Rumania.....	831	1,612	5,146	2,257	7,419	1,045
Russia (European and Asiatic, excluding the barred zone).....	1,992	4,696	16,470	25,261	21,613	11,299
Spain (including Canary Islands).....	324	345	808	1,320	912	628
Sweden.....	9,761	11,872	13,562	12,749	20,042	8,831
Switzerland.....	2,281	2,514	2,702	2,577	3,752	1,739
Yugoslavia.....	935	1,604	4,484	3,600	6,425	1,054
Other Europe (including Andorra, Gibraltar, Liechtenstein, Malta, Monaco, and San Marino).....	325	245	258	319	86	257
Palestine.....	201	204	238	264	57	224
Syria.....	212	267	788	1,242	928	500
Turkey (European and Asiatic, including Thrace, Imbros, Tenedos, and area north of 1921 Turko-Syrian boundary).....	223	318	1,970	941	2,388	277
Other Asia (including Cyprus, Hedjaz, Iraq (Mesopotamia), Persia, Rhodes with Dodekanesia and Castellorizzo, and any other Asiatic territory not included in the barred zone. Persons born in Asiatic Russia are included in Russia quota).....	245	430	262	307	4,284	6200
Africa (other than Egypt).....	238	243	270	299	122	246
Egypt.....	206	208	212	217		
Atlantic Islands (other than Azores, Canary Islands, Madeira Islands, and islands adjacent to the American continents).....	241	246	280	1,091	121	363
Australia.....	320	340	396	423	279	305
New Zealand and Pacific Islands.....	267	252	254	278	80	236
Total.....	169,083	186,693	248,550	249,867	357,803	125,406

<sup>1</sup> Figures are 2 per cent naturalized of each nationality by 1920 census, plus 200 for each nationality.

<sup>2</sup> Lithuania and Memel only.

<sup>3</sup> Poland and Eastern Galicia only.

<sup>4</sup> European Russia only.

<sup>5</sup> Spain only.

<sup>6</sup> Pinsk.

<sup>7</sup> Bessarabia.

Now, the trouble with these quotas is that about twice as many immigrants enter the United States as the Congress intends; for example, during the fiscal year ending June 30, 1923, 357,803 quota aliens were entitled to enter, whereas 522,919 immigrant aliens actually entered, or an excess of



165,116, the reason for this excess being that immigrant aliens were admitted from British North America, Mexico, and the West Indies, to which countries the quota has no application. The 1922 situation was about the same. So, regardless of what census you take, there will enter over and above the number you fix about the same proportion as entered in 1922 and 1923. This does not take into consideration the number of aliens smuggled in, which the Secretary of Labor stated amounted to 100 per day, nor does it consider the aliens who enter the United States as deserting seamen, which totaled 23,194 during the fiscal year ending June 30, 1923.

In fine, if we suspended immigration altogether from the quota countries you would still get more immigrants than you need.

In brief, the committee bill will allow 169,083 persons to enter under the quota. In addition to the quota of 169,083, the following are admissible:

1. Unmarried children under 18 years of age, and parents over 55 years of age, of citizens.
2. Persons of 10 continuous years' residence in Canada, Newfoundland, Mexico, Cuba, Central and South America, also their wives and unmarried children under 18 years of age.
3. Bona fide ministers, wives and children.
4. Skilled labor, wives and children.
5. Bona fide students.
6. Filipinos.

These six classes can come without limit as to number.

The bill provides a method of selection by requiring an application of the immigrant giving his life history, from which facts he may be denied admission.

The bill perhaps would not be approved in detail, word for word, by anyone, but all legislation is a compromise—the Constitution of the United States was a compromise—and this bill is the best the committee can fashion. It will give us all the immigration any reasonable person would want; it takes care of the family unit, students, preachers, skilled labor, and the like. It is a step in the right direction. It is the step the American people want us to take, and though here and there you may find something to quarrel over, yet on the whole you will find it to be a progressive, constructive measure and one challenging and deserving your support.

If I had my way, I would write upon the statute books of this country a suspension act prohibiting any and all immigration for a period of five years.

I would likewise require all newspapers and the like to be printed in the English language, and then I would take stock, so to speak, and deport every alien unfit to remain in this country, and thus would I write in letters bold so all could read, "America for Americans." But I can not nor can you, consequently we must compromise.

For the reasons stated and for others too patent to consume your time further the committee with but two exceptions have joined in reporting the bill.

We have no room for the insane, the criminal, the anarchists, the nihilists, or those incapable of becoming American citizens, or those unwilling to absorb and assimilate, or those unwilling to pledge allegiance to our flag and Nation, and to place the allegiance due to it above that conceded to any other flag, Government, or power—political, ecclesiastical, racial, civil, or religious. The landing upon our shores of the classes aforementioned is a menace to our country and its institutions and should cease forthwith. But let Americans bear in mind that it requires more than a passive resistance to keep these aliens from our shores. It necessitates everlasting and eternal vigilance, supported by an unbending patriotism saturated with and solicitous for the welfare of posterity and the perpetuity of our common country.

Let us therefore, one and all, dedicate our lives to the service of America and henceforth insist that every man who lands on our fair shores be worthy and well qualified for citizenship in this the greatest and grandest country ever built by man, and, finally, let us require him to accept and subscribe to the creed laid down by Theodore Roosevelt: That he must be an American in name, in deed, in truth, and in fact from the time he lands on American shores until he is laid away in an American grave. [Applause.]

Mr. MADDEN. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. CRAMTON], and before the gentleman from Michigan begins to speak I wish to make this announcement: We are anxious to finish general debate to-day; we would not have to run later than half past 5, but we want to read the first paragraph of the bill under the five-minute rule without attempting to take action upon it, so that the bill when we meet on Tuesday morning will be ready for consideration and for amendment.

Mr. CRAMTON. Mr. Chairman, I first ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. CRAMTON. Mr. Chairman, whatever Americanism is, it is not defiance of law. The creed of Americanism must have as its fundamental principle, this being a democracy, the doctrine that there can be no compromise with lawlessness.

I have been interested in the past two days in addresses of gentlemen who are leaders in the movement for compromise with lawlessness—gentlemen who say that a part of the Constitution of the United States can not be enforced; who hail with delight any failure for its enforcement; who seek the repeal of all Federal law for its enforcement; who oppose the enactment of State laws for its enforcement; and who propose a compromise with lawlessness by a return of beer and wine.

I was interested yesterday to notice, when my very good friend from Maryland [Mr. HILL] was speaking, how very tender the gentleman seemed to be when his attention was called to recent action by the grand jury of Baltimore. There is no more courteous gentleman in the House than my friend from Maryland and no one with whom I have more friendly personal relations. Still, when I ventured to ask him this question, please note the response:

Is it not a fact that a recent grand jury—not under the gentleman's administration as attorney, but a recent grand jury in Baltimore—joined with their denunciation of the enforcement of the Volstead Act an appeal for the return of the segregated vice district in Baltimore?

Mr. HILL of Maryland. I would like to say to the gentleman from Michigan that he knows about the segregated district better than I do, and I did not know anything about such a report as mentioned.

Mr. CRAMTON. In Baltimore—

Mr. HILL of Maryland. I decline to yield to those who wish to bring back the segregated district anywhere.

The gentleman from Maryland sought to insist that it was I, his interrogator, instead of the grand jury in his own city that advocated that. The gentleman disclaimed knowledge of that action of the grand jury in his city and appeared to condemn the lengths to which that law-preserving body went in their gratuitous resolutions. Verily there is hope. But to my mind it is a very logical conclusion of the grand jury in Baltimore. Compromise with lawlessness is preached in high place in Baltimore. The Association Against the Prohibition Amendment has its chief authority and inspiration there and the choice of laws to be nullified is growing wider in Baltimore. This grand jury declared, of course, for the legalized sale of beer and wine, which they said of itself would create a vast improvement of conditions. But before that, evidently of first importance in their judgment as a measure to secure observance of laws, this same grand jury also said:

The establishment in our city of a segregated section under strict and thorough medical and police regulation, as compared to the abhorrent conditions we find to prevail, is favored as the lesser of two evils and the only available and practical method of handling this grave problem.

#### THE BALTIMORE IDEA.

That is the Baltimore idea, that whenever a law is violated compromise with the violators, arrange the law to suit their convenience. If there is violation of the laws with reference to sex relations, establish a segregated district, repudiated generally throughout America, but still demanded by a grand jury in Baltimore. If the eighteenth amendment is violated, compromise with the violators and provide for beer and wines. Compromise with lawlessness is the "easy way" in Baltimore.

The action of the grand jury was thus referred to two or three weeks ago in a Baltimore newspaper:

Referring to the vice evil the grand jury's report says in part:

"The establishment in our city of a segregated section under strict and thorough medical and police regulation, as compared to the abhorrent conditions we find to prevail, is favored as the lesser of two evils and the only available and practical method of handling this grave problem."

The report also says:

"While this grand jury does not believe in the efficacy of prohibition by legal enactment as a solution of the so-called liquor question, we do feel that the present liquor laws of our State should be repealed by our legislature as inconsistent with Federal laws on the subject, and that a new regulatory ordinance should be enacted by our city council to cover the licensing and regulation by the police department of all places selling beverages."

"It is the belief of this grand jury that the legalized sale of beer and light wines would of itself create a vast improvement in conditions,

while at the same time it would, to a great degree, alleviate the spirit of intolerance so prevalent among our people.

"That it would tend to lessen crime to a large extent we are certain."

The doctrine of compromise with wrong is dangerous. It is not to be believed the country will follow the Baltimore idea either as to social vice or beer and wine.

Then my genial friend and committee colleague the gentleman from Massachusetts was grieving yesterday because—

Mr. Wheeler (of the Anti-Saloon League) was reported in the newspapers of St. Louis as saying in a speech in that city November 11, 1923, that the Anti-Saloon League had invested \$35,000,000 in the eighteenth amendment, and he begged for money to protect that amendment.

I called that to the attention of Mr. Wheeler, and I have his statement, as follows:

I never said that the Anti-Saloon League of America spent \$35,000,000 in securing the adoption of the eighteenth amendment, as charged by Mr. GALLIVAN. I did say that the local, State, and National leagues in 48 States and in the Nation had raised, during the entire period of 30 years, \$35,000,000 to drive beverage liquor traffic from the Nation. This meant, of course, a little over \$1,000,000 a year, and a large percentage of this was raised and spent in local and State fights. In some of the State referendum fights to adopt prohibition the reports filed with the public officials show practically \$200,000 spent in a single State campaign. This amount is small in comparison with what our opponents have spent, as shown by the sworn testimony taken before the Judiciary Committee of the Senate. The money which was raised for education and campaign work of the league was all spent in accordance with the law. Convictions in the court and the testimony in the Senate investigation records show that much of the money spent by our opponents was in violation of the law.

And that is that. I want for a moment to call to the attention of the House the methods used and the tremendous expenditures by the brewers and other opponents of national prohibition in their futile attempts to prevent the adoption of the eighteenth amendment. I submit that this is of special importance for our consideration, because our memories grow dull as the domination of the country politically by the liquor interests slips into the past. Our memories grow dull; and now, when they are asking us to let John Barleycorn get one foot out of the grave, it is well for us to remember the conditions when he was recognized and protected by the law.

The methods used by the liquor interests in their futile attempt to prevent the adoption of the eighteenth amendment show the use of money illegally and in amounts unheard of in political history. You will find a summary of these conclusions, based upon sworn testimony, in the CONGRESSIONAL RECORD of September 5, 1919, page 5187. This unanimous report of the committee, accepted by the United States Senate, says, with reference to the brewers and liquor interests' activities in politics:

With regard to the conduct and activities of the brewing and liquor interests, the committee is of the opinion that the record clearly establishes the following facts:

- (a) That they have furnished large sums of money for the purpose of secretly controlling newspapers and periodicals.
- (b) That they have undertaken to and have frequently succeeded in controlling primaries, elections, and political organizations.
- (c) That they have contributed enormous sums of money to political campaigns in violation of the Federal statutes and the statutes of several of the States.
- (d) That they have exacted pledges from candidates for public office prior to the election.
- (e) That for the purpose of influencing public opinion they have attempted and partly succeeded in subsidizing the public press.
- (f) That to suppress and coerce persons hostile to and to compel support for them they have resorted to an extensive system of boycotting unfriendly American manufacturing and mercantile concerns.
- (g) That they have created their own political organization in many States and in smaller political units for the purpose of carrying into effect their own political will, and have financed the same with large contributions and assessments.
- (h) That with a view of using it for their own political purposes they contributed large sums of money to the German-American Alliance, many of the membership of which were disloyal and unpatriotic.
- (i) That they organized clubs, leagues, and corporations of various kinds for the purpose of secretly carrying on their political activities without having their interest known to the public.
- (j) That they improperly treated the funds expended for political purposes as a proper expenditure of their business and consequently failed to return the same for taxation under the revenue laws of the United States.

(k) That they undertook through a cunningly conceived plan of advertising and subsidization to control and dominate the foreign-language press of the United States.

(l) That they have subsidized authors of recognized standing in literary circles to write articles of their selection for many standard periodicals.

(m) That for many years a working agreement existed between the brewing and distilling interests of the country by the terms of which the brewing interests contributed two-thirds and the distilling interests one-third of the political expenditures made by the joint interests.

That investigation showed the methods of raising their tremendous funds, the figures having reference to the pages in the public documents containing the sworn testimony.

Barrelage tax from one-fourth to 3 cents was imposed by the United States Brewers' Association. This yields large amounts, carefully concealed by destruction of checks and stubs. (85, 342, 401.)

In 1913 Percy Andrae secured 3 cents tax on more than 25,000,000 barrels, yielding more than \$750,000 annually for five years. (77.) The largest annual deposit in central treasury is reported for 1918—\$1,049,091.07 (400) or \$1,400,000 (424).

The total for 1913-1918, exclusive of 1916, was \$4,457,941.22. (401.) State association levied as high as 20 cents, or 50 cents barrel tax. (346, 417.) The Pennsylvania Association in four years raised \$922,000. (96, 425.)

The total expenditure for political purposes is by no means indicated in the records of the United States Brewers' Association treasury. There were large sums collected and disbursed by the officials, who concealed transactions under personal names or other auspices. In this way an advertising fund of \$535,000 was collected in 1917-18. (96, 309, 321.) Mr. Feiganspan paid \$3,000 at one time to Fitzgerald & Walsh, attorneys, for defeating measures in the Connecticut Legislature, and solicited the amount from individual brewers. (59, 306, 1026-29.)

The United States Brewers' Association and National Wholesale Liquor Dealers' Association created a "general fund" for specific campaigns, as in Iowa, the brewers paying two-thirds and the distillers one-third. (331-2.)

Read in those hearings of the heyday of liquor domination in Pennsylvania, one State of many then so affected:

Major HUMES. This is the Pennsylvania State Association. The bank accounts of the United States Brewers' Association were offered yesterday, showing that the highest deposit in any one year was \$1,400,000.

This was only one of many.

Senator OVERMAN. This is the Pennsylvania State Association?

Major HUMES. This is the Pennsylvania Association summary, showing the amount raised within the State alone. That was outside of and, of course, in addition to the money that went into the treasury of the United States Brewers' Association.

Senator OVERMAN. Have you got how much was spent during that election year by the United States Brewers' Association? You say \$300,000 was spent by the State association.

Major HUMES. We can figure out the withdrawals from the bank accounts of the State association. It was practically all withdrawn each year. The balance carried over from year to year each time is ordinarily twenty or thirty thousand dollars.

Senator OVERMAN. In that election year, as I recollect, there was something over a million dollars collected.

Captain LESTER. One million four hundred thousand dollars. (424.)

The Government Treasury was defrauded out of money by Pennsylvania brewers, who admitted that they were deducting from their income-tax reports contributions made to the brewery fund. They diverted to political campaigns money that should have been paid in taxes to the United States Government.

The statement of the Pennsylvania Brewery Association to the Commissioner of Internal Revenue is as follows:

The association has been advised that under the rulings of the department that such contributions are not proper deductions of such contributions in making their reports, and that while the association is unable to give the information asked in respect to contributions of its members for the reason above set forth, it will immediately advise all of its members to make amended returns in respect to such contributions to the association as have been deducted in previous returns and upon which an excise or income tax has not already been paid, and it will advise its members to pay without delay such taxes as may be properly assessed in respect to the same without protest or claim for abatement or refunds, or to execute such waivers as may be deemed necessary or desirable by the department. (1077.)

In order to appropriate the large sums of money which were used to corrupt the politics of the Nation, they deducted equal



amounts from their tax returns. They stole from the Government and then used their stolen funds to corrupt the political life of the Nation.

The brewers have been the chief offenders in corrupting politics. If beer is less dangerous than whisky because it contains less alcohol, it more than makes up the difference in corrupt political methods. These methods become so unbearable that many leading papers like the *Detroit Journal* gave it as their reason for advocating total prohibition. Clean politics has no chance where there is brewery domination.

In the Pittsburgh United States District Court 102 bills were returned against the brewers for violating the Federal corrupt practice act. Each brewer as he took the stand carried a yellow slip and read in substance from it his answer: "I refuse to testify because it would tend to incriminate me." The North American, in commenting upon their action, characterized the brewers as the criminals in politics. After putting up a fight on a constitutional question, the brewers appeared before Judge Thompson and pleaded *nolo contendere*. Fines were imposed amounting to \$60,000, besides the costs.

The attorney general in Texas brought action against seven brewery corporations for violating the election and antitrust laws. They were fined a total of \$281,000, in addition to court costs. See CONGRESSIONAL RECORD, July 6, 1917, page 5201. Brewery activity in politics is simply the story of corruption, dishonesty, lawlessness, and debauchery.

The aim of the brewers was complete political domination of every State in the Union with the fruits of beer—debased citizens and brewery slush funds—combined to produce an ever-enlarging area of political corruption. There was no cure short of the annihilation of the beer traffic. To restore that will be to plant the seed from which the entire alcohol traffic, with all its evils, can grow again to what it used to be.

This investigation proved that the liquor interests spent multiplied millions of dollars every year in the 48 States. It sounds strange to hear the advocates of this outlawed trade, with an air of innocence on their countenances, condemning great uplift organizations which have fought in the open for national sobriety and have probably spent about \$1 for legitimate purposes in comparison to \$100 spent for corrupt purposes by the liquor trade, which advocates of the outlawed brewers now want to have legalized under the guise of light wines and beer.

A comparison has been made as to the condition as it used to be. What did it used to be? Mr. H. M. Nimmo, of Detroit, editor of the *Detroit Saturday Night*—and a long way from being a prohibition fanatic, but an opponent, many times, of prohibition—said this in the days of the saloon:

The saloon has come to be looked upon by many of us as a necessary evil in our larger centers of population. But when the saloon becomes conspicuous it becomes offensive. It has become conspicuous in Detroit. It sits with us in the council chamber. It sits with us on the board of estimates in large numbers. It sits with us on the board of education. It confronts us in the halls of justice. It makes mayors—and breaks them. It has come to rule over a house in which it was first tolerated as a servant. It approaches us not with petition but with aggression. It struts and boasts when good public policy, if not a sense of self-protection, would teach it to walk humbly and in silence.

But what is the Baltimore idea now—when once again those in sympathy with that traffic and those seeking its return can walk and strut boldly and demand that we repeal the law because it can not be enforced. What is the Baltimore idea? Senator WILLIAM CABELL BRUCE, of Maryland, before the recent so-called "Face-the-fact conference," said, as reported January 22, 1924, in the *Baltimore Sun*:

The true remedy for the spirit of lawlessness that has been aroused by national prohibition is not to make another extraordinary effort to enforce it but frankly to recognize the fact that absolute national prohibition is not enforceable at all.

Compromise with lawlessness is the Baltimore idea.

Mr. BLANTON. Will the gentleman yield?

Mr. CRAMTON. For a question.

Mr. BLANTON. When we have such expressions as that from men in high public place and such speeches as we had yesterday, are they not largely responsible for such reports from grand juries?

Mr. CRAMTON. There is no doubt but what every speech that is made in which it is stated that the law can not be enforced is an encouragement to violate it. It is an encouragement, and the higher the standing of the official, the higher the social and financial and industrial standing of the citizen who preaches that, the more dangerous it is to the welfare of the country. [Applause.]

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CRAMTON. Yes; for a question.

Mr. LAGUARDIA. And is not that also a bad example to show the unfortunate aliens about whom the previous gentleman was complaining?

Mr. CRAMTON. The gentleman from New York is right. Vice President Marshall some time ago said that you can not teach the aliens good citizenship when our high officials and citizens in high places preach doctrines of lawlessness. On the other hand, I will say to my good friend from New York that there is no worse service that can be rendered to their fellows by the immigrants in this country than when they center themselves in some such community as New York, where area after area does not seem American soil, but seems a section of lands overseas, and there insist upon living their lives, not in accordance with the ideals of Americanism but in the same way they lived them overseas. [Applause.] There is no section of the country to-day that more imperils the success of this tremendous national experiment than this eastern section, two or three great cities, where foreign-born, foreign-speaking people, and people with foreign ideals so predominate in our population.

Mr. LAGUARDIA. Will the gentleman yield for just a minute?

Mr. CRAMTON. Yes; but my time has about expired.

Mr. LAGUARDIA. As long as these foreigners remained in colonies in the cities and lived in tenements, I will tell my friend from Michigan there was no objection against them.

But now that we have trained them to live up to the American standard, in decent apartments and to ask a living wage, we find opposition to these aliens.

Mr. CRAMTON. No; our trouble is that in the city of New York to-day that foreign population, hugging to their bosoms yet the ideals of the lands from which they come, while they thrive on the opportunities of this land, is leading in the demand for repudiation of the Constitution.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MADDEN. I yield the gentleman from Michigan three additional minutes.

Mr. CRAMTON. The gentleman from Massachusetts [Mr. GALLIVAN] yesterday closed by saying:

Some of the prohibitionists have quoted Abraham Lincoln's celebrated statement that a house divided against itself could not stand. It is a curious coincidence that in the great debates between Lincoln and Douglas, when the latter quoted that statement at Ottawa, Ill., August 23, 1858, as evidence that Lincoln meant to incite a sectional war between the free and the slave States, Mr. Lincoln replied:

"With public sentiment nothing can fail; without it nothing can succeed. Consequently, he who molds public sentiment goes deeper than he who enacts statutes or pronounces decisions. He makes statutes and decisions possible to be executed." [Applause.]

Therefore it is that the one who preaches this nonenforceability of the law is the one who is working havoc in our institutions. I prefer looking beneath and beyond all minor and side issues. The fact that some man in a great cause has been convicted of an offense against the law does not lead me to demand the repeal of that law, or the fact that some officials are not performing their proper duties, or the fact that we do not get 100 per cent enforcement. I say we are in a great contest, and it behooves us to look down to fundamentals, and I want to remember this that Lincoln said:

It everywhere carefully excludes the idea that there is anything wrong in it. That is the real issue. That is the issue that will continue in this country when these poor tongues of Judge Douglas and myself shall be silent. It is the eternal struggle between these two principles—right and wrong, throughout the world. They are the two principles that have stood face to face from the beginning of time and will ever continue to struggle.

Right and wrong battling ever, who would not be with the right, even though the contest be lifelong. Hence it is that I prefer to be one who seeks to arouse public sentiment for the support of statutes and decisions that are right. In the words of Hoar, of Massachusetts, quoted a few minutes ago by the gentleman from Massachusetts [Mr. PAIGE], "I prefer to face the sunrise rather than the sunset." I prefer to look forward to the national welfare, to a Nation not bowing down to King Alcohol, and not backward to the saloon and liquor domination under any alias under which it may disguise itself.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. MADDEN. I yield five minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I ask the Clerk to read out of my time the resolution which I will send to the desk.

The Clerk read as follows:

House Concurrent Resolution 10.

*Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that Harry F. Sinclair be requested through official channels to return to the United States forthwith to testify regarding the proposed cancellation of the Teapot Dome oil leases, produce the books of the Hyva Corporation, and explain to Congress and the American public the \$25,000 loan to ex-Secretary Fall, and such other matters affecting the sordid revelations developed by the Senate committee investigating the so-called Fall oil leases.*

Mr. FISH. Mr. Chairman, I regret that any Member of the House should see fit to object to the consideration of this resolution, which expresses the desire of the American people through Congress, for the immediate return of Harry F. Sinclair, without whom any investigation of the Teapot Dome oil lease or any court action instituted by President Coolidge pursuant to the authorization granted by Congress would become a farce or be indefinitely delayed.

Although we deplore the testimony indicating the bribery of ex-Secretary Fall, a former member of the Harding Cabinet, we can not help but congratulate the Senate investigating committee for giving the fullest publicity to every detail and exposing all concerned without fear or favor.

Ex-Secretary Fall is a broken, abject creature, perjured by his own testimony and crucified by his own conscience. He appears to be another Benedict Arnold; the latter sold his country for a large sum of money and an appointment as brigadier in the British Army, whereas it is claimed that the former sold out for \$100,000 or more and a position in Sinclair Oil Corporation. In the eyes of the people he is already condemned, even if he could explain the differences between a loan of \$100,000, while Secretary of the Interior, and a bribe. The public are convinced that he was seduced by great wealth in their money madness and arrogance which stops at nothing even to setting the torch to the very edifice of the Government. It is another example of big, selfish, privileged interests attempting to use and exploit the public domains in order to increase their wealth beyond the dreams of avarice at the expense of the people and of national defense.

It is not so much the oil that has been unlawfully and fraudulently taken; the Navy that might have been scuttled; but the real disaster has been caused by undermining the faith of the common everyday American in our Government, in the honesty of public officials, and in the integrity of big business. The latter has as much at stake in cleaning house as anyone, particularly the entire oil industry.

In the concentration of the attacks on ex-Secretary Fall, Secretary Denby and his staff, and Attorney General Daugherty, the beneficiaries of the oil leases have been lost sight of. If ex-Secretary Fall was bribed, of course the rich men who bribed to rob the people and plunder the Government are worse than the bribe taker. If Sinclair and Doheny are guilty of bribing a Cabinet official they will have done more than all the reds, communists, and anarchists combined have accomplished since the war to undermine the faith of the people in our form of government.

These two men owed everything to our country and its laws, education, opportunity, wealth, protection of their lives, properties, and their fortunes. What greater obligation could they incur to uphold the power of our Government and keep it inviolate against corruption from without and dishonesty from within. It appears from the evidence so far produced that in spite of every human and grateful impulse these men struck down the Government to which they owed their all.

The politics of these gentlemen is the least of their concern. One of them is a Republican, Mr. Sinclair; the other a Democrat, Mr. Doheny; and they both contribute to both parties and seek favors from whichever party is in power. They follow the political course laid down by Jay Gould in New York a generation ago, who, when questioned as to his politics, said:

In a Democratic county I am a Democrat; in a Republican county I am a Republican; but all the time I am for the Erie Railroad.

These gentlemen are all the time for oil; and after oil, no matter what administration is in control at Washington.

Mr. OLIVER of New York. Will the gentleman yield?

Mr. FISH. I am sorry I can not yield, as I have only a few minutes left.

There is just one course for the Republican Party to pursue, and that is not to try to minimize or explain away the sordid details of the oil scandal, but to clean house thoroughly and let no guilty man escape. I hope that the prosecuting attorneys and the court will give ex-Secretary Fall an opportunity to

turn State's evidence and thereby convict and send to the penitentiary everyone who has had any connection with defrauding the Government through unlawful or corrupt methods.

If ex-President Roosevelt, who had an obsession against all forms of graft, were alive to-day he would have raised such a cyclone of denunciation that it would have driven political corruption, and all who were directly or indirectly connected with it, to cover for at least a generation.

The question is no longer a party one, but one that affects the national honor; the country is aflame with righteous indignation at the nasty, sordid revelations, and demand that all involved in this oil scandal shall be brought to justice and that this spectacular investigation shall not cease by merely repudiating ex-Secretary Fall and end in halfway measures, as so many other congressional investigations have done.

The Government is able to cope with its declared enemies; the public can meet the attacks of its open and avowed opponents, but political corruption under the hypocritical guise of a beneficiary with virtue on its tongue and deception in its heart is a dangerous foe, and difficult to guard against.

This whole sordid scandal is like a dead mackerel in the moonlight—it stinks and shines and shines and stinks.

Mr. BLANTON. Will the gentleman yield?

Mr. FISH. My time has expired.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MADDEN. Mr. Chairman, I yield two minutes to the gentleman from Kansas [Mr. LITTLE].

Mr. LITTLE. Mr. Chairman, a few minutes ago during the speech of the gentleman from Ohio [Mr. BURTON] the gentleman from Ohio and the gentleman from Texas and myself had a little discussion about the expenses of the Rochambeau fleet during the Revolutionary War. In 1782 the King of France had spent on that fleet \$33,930,000 for which he was never repaid a dollar. The present debt of France to us is \$3,990,000,000. I have the figures from the Treasury this afternoon. The actuary of the Treasury has taken the money, still unpaid for the Rochambeau fleet expenses, and at 6 per cent compound interest it now amounts to \$133,325,258,000. If Rochambeau's fleet should sail into Yorktown to-morrow and want the money we could deduct from it the total \$12,000,000,000 principal and interest which Europe owes us and he would still carry home with him over \$120,000,000,000. Why continually discuss conditions which we can not help and which will gradually work themselves out, I hope. We all spring from Europe and owe them that fact, and we owe them another debt of \$120,000,000,000 for the money that would pay now for the Rochambeau fleet, if it were technically legal, and yet the gentleman calls it a bagatelle. It was not then and is not now if figured down to date.

Mr. BURTON. Does not the gentleman from Kansas realize the very important distinction between a contractual debt and expenses incurred by the French fleet in promoting the interest of their own country? Does he not recognize they had an object that was other than altruistic?

Mr. LITTLE. What do you want us to do, go into moral bankruptcy? Plead a statute of limitations?

Mr. BURTON. No; I do not want to go into moral bankruptcy; they were fighting for their own interests, and in the other case it is a debt.

Mr. LITTLE. So were we fighting abroad—and for the general good, as the French did in our Revolution, which would have failed but for the Rochambeau fleet, which cost \$34,000,000 and now is equal to \$133,000,000,000. This great Republic has debts that money can never pay.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield to the gentleman from Rhode Island [Mr. O'CONNELL].

Mr. O'CONNELL of Rhode Island. Mr. Speaker and gentlemen of the committee, in view of some of the statements made this afternoon by the distinguished gentleman from Illinois with reference to the Mellon plan for tax reduction, in which the Secretary of the Treasury was pictured as a financial wizard and the Mellon plan pictured as a panacea for all the ills from which the country is suffering at the present time, I feel constrained to make some observations with reference to the Mellon plan and to contrast it with the plan proposed by the Democrats.

The facts in the case belie the contention of the distinguished gentleman from Illinois and prove that the plan for tax reduction as presented and proposed by the Treasury Department is both illogical and inequitable.

Under date of November 10, 1923, Secretary Mellon addressed a letter to Hon. WILLIAM R. GREEN, acting chairman of the Committee on Ways and Means, giving a brief synopsis



of some of the proposed changes. This letter, which, with tables, was only six pages in length, did not pretend to state specifically all the contemplated tax reduction.

The plan in detail, entitled "The revenue act of 1924, containing proposed amendments to the existing law suggested by the Secretary of the Treasury," was printed under date of December 17, 1923, but was not at that time given to the public. It was presented on that date, or a few days thereafter, to the Committee on Ways and Means, its terms and provisions discussed in secret, and the members of this committee were bound by vote to secrecy. The Democratic members of the committee believed that these proposals should be made public and finally secured a reversal of the committees' action, and on or about December 29 the provisions were made public. Committee print No. 1 was reprinted December 28, 1923, with certain typographical changes. An examination of my files reveals the fact that large numbers of letters and telegrams were received by me favoring the Mellon plan even before the plan itself was given to the general public in a detailed form. As the proposed act contained 344 printed pages, now reduced by committee print No. 2 to 262 pages, it is highly improbable that more than a few of the thousands of corporations and individuals who have written to me and to other Congressmen expressing unqualified approval of the Mellon plan have ever read this act or have any intimate knowledge of its many provisions.

To illustrate my point let me say that I received a letter from one of the largest civic bodies in my own State, Rhode Island, dated December 19, 1923, indorsing the Mellon plan and inclosing copy of resolution with reference thereto. In other words, this body had put itself on record in favor of the Mellon plan about 10 days before this plan was made public. I am also in receipt of copies of resolutions passed by other civic bodies in Providence and elsewhere in Rhode Island under similar conditions. The Mellon plan has been the subject of one of the greatest campaigns of propaganda which has ever come to my attention.

As to the relative merits of the two plans let me say that according to the official figures of the Treasury Department, contained in the annual report of the Commissioner of Internal Revenue for the year 1921, there were 6,650,695 persons who filed income-tax returns in 1921, all of whom will be substantially benefited by either the Mellon plan or the Democratic plan for tax reduction. But of this total number about 9,433 will be more greatly benefited by the Mellon plan than by the Democratic plan, whereas 6,641,262 will be more greatly benefited by the Democratic plan than by the Mellon plan, both of which plans are calculated to produce approximately the same amount of revenue.

The same statistics show 48,057 income-tax payers in Rhode Island, all of whom will be benefited by either proposed plan. But only 138 will be more greatly benefited by the Mellon plan than by the Democratic plan, whereas 47,919 will be more greatly benefited by the Democratic plan than by the Mellon plan.

To illustrate my point that most of those favoring the Mellon plan have never read it and are not conversant with its provisions I will state that I am in receipt of two letters from one of the largest corporations in Rhode Island, signed by different officers, dated, respectively, January 2 and January 4, 1924, unqualifiedly indorsing the Mellon plan and requesting me to support it.

On Tuesday, January 15, the treasurer of this corporation sent his card to me on the floor of the House, requesting an interview, and when I later talked with him in the corridor he informed me that his company was opposed to a certain section of the act proposed by Secretary Mellon, and reference to this section revealed the fact that it had a particular bearing on the kind of business conducted by his company. I have been receiving daily letters from individuals and corporations who have previously written to me favoring the Mellon plan in toto, but now find the particular sections relating to their own kind of business objectionable in many features. I feel certain that a similar change of opinion will be experienced by the vast majority of the proponents of the Mellon plan when they learn the true situation.

Every Democratic Member of this House is heartily in favor of tax reduction to relieve the country of the heavy burden under which it is now staggering. I am of the firm opinion that the Mellon plan as originally suggested will not pass at this session, and when it is changed and passed in an amended form it will no longer be the Mellon plan for tax reduction, but a superior and far more equitable plan suggested by the Democrats and supported by a sufficient number of Republicans to insure its passage.

According to this morning's issue of the Washington Post, the distinguished Republican Member from Wisconsin [Mr. FEAR] is reported as saying:

As a political proposition the Mellon bill is destined to be a teapot tax that will rival its namesake before it gets through Congress.

But though it is still called the Mellon bill, it has already been changed and emasculated in many essential particulars by the Republican members of the Committee on Ways and Means to the great consternation and distress of its author.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Chairman, I would not take up any time at this late hour, but the record should be kept straight.

Our friend from New York [Mr. FISH], prominent in the councils of his Republican Party, says that he hopes that the Government of the United States will let Mr. Ex-Secretary Fall turn State's evidence in order to convict an individual. I am sure he does not mean that.

Mr. OLIVER of New York. Will the gentleman yield?

Mr. BLANTON. In a moment. When speaking of "turning State's evidence" he assumes guilt. Let a Cabinet officer of the United States accept a bribe against this Government's interests and then let him turn State's evidence and escape punishment and enjoy the fruits of his ill-gotten gains in order to send some individual to the penitentiary! Surely the gentleman from New York does not mean that. The idea is too preposterous.

Mr. FISH. Will the gentleman yield?

Mr. BLANTON. The distinguished gentleman would not yield to me, but I will gladly yield to him.

Mr. FISH. The gentleman realizes that I only had five minutes. Now, I did not mean to send one man to the penitentiary; there may be many involved in it; and, furthermore, I am not asking that Mr. Fall turn State's evidence and escape being punished.

Mr. BLANTON. Oh, if you agree with a man to turn State's evidence, you are forced to grant him immunity from prosecution and punishment. That is what you mean by turning State's evidence. When a Cabinet officer stoops so low as to accept a bribe to betray his Government's interests, I would rather see him punished than to see punished a whole bunch of individuals. I suggest to the gentleman from New York that he revise his remarks and not let that go into the Record.

I want to keep the record straight on another proposition. When last Wednesday, January 30, I was speaking against the bill turning over \$450,000 of the people's money to the Attorney General to go into the factory business I suggested that we ought not to do it but we ought to turn it over to Mr. Votaw, superintendent of prisons; and I called attention to the fact that the Attorney General now was sojourning in gay Florida with his secretary, both of whom were drawing big salaries from the Government. The gentleman from Missouri [Mr. DYER] and the gentleman from Pennsylvania [Mr. GRAHAM] both said that he was down there merely to take a sick wife. That was on Wednesday, January 30, and here is the last edition of the Washington News that came out here that very Wednesday evening with an interview with the Attorney General on its front page, and here is what it says:

Mr. Daugherty said he was busy enjoying himself and too busy to be bothered about the demands of Congress for his resignation. He said "that the business of the Teapot Dome does not worry me in the least; if it did, I would have remained in Washington, but," he says, "I came here to play."

That puts your Attorney General of the United States in this momentous hour down in gay Miami, Fla., and he says he is down there to play.

A MEMBER. Play what?

Mr. BLANTON. Play in the sand. [Laughter.] Last Monday when they stopped the proceedings so suddenly and brought in a resolution on the floor appropriating \$100,000 to provide counsel to do what the Attorney General and his big force of high-priced attorneys ought to do I objected and voted against it. Why? I said that if this Government would demand his resignation and put the proper kind of a man at the head of that big bunch of lawyers in the Department of Justice they would attend to the prosecution of the criminals without having to provide extra special counsel to do so.

Mr. JEFFERS. Did the Attorney General in that interview say with whom he was playing?

Mr. BLANTON. Oh, no; but we all know that there are some beauties from some parts of the country who flock to Miami to be played with.

Mr. JEFFERS. You would not call McLean a beauty?

Mr. BLANTON. No; he is likely there for the same purpose the Attorney General is, to play in the sand. [Laughter.]

But our friend from New York [Mr. FISH], a distinguished citizen of his State and of the Republican Party, says that we ought to pass a resolution saying, "Mr. Sinclair, we want you back; please come back." Could not Sinclair do like Grover Cleveland Bergdoll—go into Germany and stay there? And what could we do to bring him back? I will tell you what this Congress ought to do. Instead of fooling around on this matter, it ought to do just one thing—declare those leases void and repossess that property. Every lawyer in this Congress knows that those contracts were made not only without authority of law but were also fraudulently made, and that they are absolutely void ab initio; and what this Congress ought to do, instead of going into the courthouses with a big bunch of high-priced lawyers spending the people's money, to be kept there for years by Sinclair's money, is to come in here with a resolution and declare those leases void, because they are absolutely void. There was no authority in law to enter into them. And the fraud, too, vitiates them. Then we would put Sinclair in the lead. We should take charge of that property, take it back into the hands of the Government, and we would then force Sinclair and Doheny to go into the courts themselves and keep them in the lead, and you would find that Sinclair would be taking the first ship back here to-night that he could find passage upon, even if he had to go in the steerage, something these birds do not do if they can possibly help it. Why do not we pass such a resolution? What is holding us back? Why do not we take up a resolution of that kind? Oh, we let things go on here because orders for action must always come from the administration, and the two or three fellows here who frame things have not yet heard from the powers above, and Members of Congress would be doing something improper to initiate anything themselves. If the gentleman from New York would bring in that kind of a resolution, he could pass it, or he could put his party and my party in bad in two minutes if they refused to vote for it. What the people of the country want is action, and the proper kind of action.

Mr. FAIRCHILD. Does not the gentleman from Texas know that I have introduced two joint resolutions to take immediate possession of the property?

Mr. BLANTON. Then why on earth does not the gentleman go to the steering committee and get them to meet and have them come in here and displace the work that we are on at present and take them up and pass them?

Mr. FAIRCHILD. I will say to the gentleman from Texas that it is my purpose to do everything possible to secure prompt action on those two resolutions.

Mr. BLANTON. The gentleman will find out that he will wait weeks and weeks for even a hearing on his proposition.

There is just one other thing I want to say to keep the record straight and I am done. Our friend Colonel LITTLE intimates that the small fleet which was sent over here from France during the American Revolution, although fully paid for, created such a debt of honor that we must not push this \$4,000,000,000 debt that France owes us now.

Mr. LITTLE. Oh, I beg the gentleman's pardon. I made no deduction at all as to what we should do. I simply told the gentleman what we owed.

Mr. BLANTON. We owe absolutely nothing. Do you know what we have done? We have paid every dollar that this Government owes France and every other Government in the world to-day. We do not owe them a cent. We paid it with money and interest and added our good will and friendship and everything else. This last debt is a debt of honor that France can not repudiate. It is not only a debt of honor but we have the good legal note of France drawn up in good strong legal terms by lawyers, collectible, and it could be sued upon in any international court in the world and judgment obtained upon it. Of course, I am not in favor of collecting a debt of that kind with an army, but if France listens to what has happened in history and remembers that no nation yet has ever survived that repudiated its honest debts, she will come over here and fund that debt. We would give her time, but she ought to fund the debt.

But, Mr. Chairman, I must discuss just one other subject, and that is the proposed tax reduction.

President Coolidge and Secretary Mellon both demand that the Mellon plan shall be passed without changing the dotting of an "i" or the crossing of a "t."

The Democratic plan is known as the Garner plan, Mr. GARNER being our ranking member of the Ways and Means Committee, and therefore formulating the views agreed upon by all Democrats.

Magazines such as the Literary Digest make it appear that proper tax reduction is possible only through the Mellon plan.

The official figures of the Treasury Department contained in the latest Report of the Commissioner of Internal Revenue shows that 200,188 Texas people made income-tax returns. Of such number, under the Mellon plan, only 104 people in Texas would be benefited more by the Mellon plan than there would be by the Garner plan; while under the Garner plan 200,084 Texas people (out of the total number of 200,188 income-tax payers in Texas) would be benefited more by the Garner plan than there would be by the Mellon plan. And respecting all incomes up to \$44,000 per annum, the Garner plan makes much greater reductions in taxes than does the Mellon plan.

Representing the policy of the Democratic Party, Mr. GARNER proposes to abolish all of the so-called nuisance taxes. And the Garner plan applies such reductions to the past year, concerning returns to be made in March. Yet we find moving-picture theaters daily urging support for the Mellon plan. They simply don't understand. It is estimated that Mr. Mellon, who is one of the richest men in the United States, and the few other ultrarich men in his class, would each save about \$400,000 annually in taxes if Mellon's plan passes. It is mainly for Mellon.

Besides propaganda messages daily received from various parts of the United States, I have just received 23 telegrams urging the support of the Mellon plan, all from Fort Worth, not in my district, sent by Sam Levy, L. B. Comer, William Capps, J. T. Pemberton, G. G. Bewley, F. A. Martin, Dr. Bacon Saunders, W. D. Reynolds, James McCord Co., W. T. Waggoner, Lem Guy, H. W. Williams, jr., Waples Platter Grocery Co., W. L. Smallwoody, Glen Walker, K. M. Vanzandt, Burton Lingo Co., F. W. Axtell, Smith Bros. Grocery Co., Nash Hardware Co., W. C. Stripling, Acme Laundry, and H. E. Want, all asking me to do something against their own interests. We have all just received the Cleveland Times devoting five full pages for Mellon plan. If the Garner plan is defeated, the people can blame only themselves for being parties to such propaganda. And the above gentlemen from Fort Worth (than whom there are no finer in Texas) do not understand that if the Mellon plan is passed it will interfere with our State laws concerning community property, according to which returns are now made. They should study carefully both the Mellon plan and the Garner plan, by way of comparison, and when they do they will likely send another telegram of a different import.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. O'CONNOR].

Mr. O'CONNOR of Louisiana. Mr. Chairman and gentlemen of the committee, for the purpose of getting into the RECORD what I consider one of the most remarkable poems ever written, I have asked for 15 minutes. This poem was written in England about three years ago, and for what will appear obvious reasons to you after I have recited a part of it you will understand why it swept the music halls of England and gained the unstinted admiration of the applauding masses as well as the commendation and praise of the illuminati, the cognocenti, and the literati and all of the others who have some sort of Bohemian and literary monopoly on culture in the British Isles. It swept over into Japan, and for the same reason it appealed powerfully to the journalistic sublimated esoteric circle of Nippon; and then it crossed the oceans and was published in the Hearst newspapers, which carried it into every nook and corner of the United States. I read it in the Washington Times. It was introduced by an editorial written by Brisbane in his characteristically inimitable style. The editorial was a prose poem, one of the finest things I ever read. He said in that editorial that the last stanza of this poem, which I am going to recite to you, would in itself have conferred literary immortality upon the author. It is a magnificent tribute to women, the mothers of men—women who in all ages have agonized, suffered, and died the death of crucifixion to bring their children into existence and people the earth; mothers who have with tear-blinded eyes seen their good sons go out in the riders of the seas, good ships that frequently returned no more; women who have in every generation with heart sobs



witnessed their boys "go out to the wars" as a sacrifice to the demon demand of a Moloch apparently too strong for even this mighty civilization to subdue.

The poem as a whole might have been more appropriately entitled "Transportation." It thunders out in rhyme the message of commerce, industry, merchandise, and transportation to a listening world.

Of course, it is almost trite to say to-day that transportation has been the basis of every civilization that has come and gone since the sunrise of history. In every age some form of transportation has been the foundation of and has given the chief color to the civilization that was built upon and surrounded it. It is clear that if our civilization were not bottomed upon railroads, steamships, and highways it would be an entirely and strangely different thing, and even the drama, sculpture, and music of the modern world, and which are concomitant with and a part of our transportation civilization, would be entirely different from what they are to-day. Transportation must always—or at any rate as long as civilization endures—be of supreme interest to the State which would soon cease to exist if transportation were obliterated.

Therefore the proposed and suggested railroad legislation which may come to the floor of this House for consideration will soon prime in the attention of the people as a result of its tremendous importance any other measure, not even excepting the Mellon revenue bill, which is momentarily holding the congressional stage, but which will soon dwindle and fade into relative insignificance compared with the far-reaching and tremendously important railroad problems which will demand from Congress a proper solution. As I understand it, the Secretary of the Treasury estimates his proposed reduction in taxation at about \$237,000,000 annually, a very important matter, it is true, to the taxpayers of the country, but compared with the maintenance of a proper transportation system, the coordination of its branches—waterways, highways, and railways—the cementing of friendly relations between the employees and operators, freeing the railroads, the employees, and the public from ruinous strikes, resentments, and bitterness, and the incalculable losses to the Nation, agriculturally, commercially, financially, and otherwise, and which are far beyond the imagination of any man to figure in dollars, is but a passing incident in the life of a nation whose chief interest should be the conservation of its great basic industry, transportation, and the magnificent superstructure that has been built thus far upon the foundation and which may be given a finer and more beautiful shape, form, and color by reconciling the conflicting interests in that industry into harmony and accord, displacing forever the antagonisms and discords that occasionally divide the great forces that should walk arm in arm, shoulder to shoulder, in confidence and mutual respect.

I am prompted to this expression by the fact that I am getting more letters from New Orleans upon proposed and suggested railroad legislation than even upon the Mellon plan. And if I can direct, focus, and concentrate attention upon the supreme importance of transportation and the necessity of maintaining it in such a way that employer and employee will look upon each other in a fraternal spirit, and as members of a great Nation, toiling and endeavoring to give to it "the glory that was of Greece and the grandeur that was of Rome," I will feel that I have in my humble and small way done my bit by my country and the generation in which I have lived.

Anent these desultory and rambling remarks upon the great problem we will have to deal with in the near future, and as what I hope may not be considered an unsuitable conclusion to the feast of oratory with which we have been regaled during the past few days, I will now recite to you the great poem to which I referred in my opening remarks—a poem which I recited in New Orleans on several occasions, and to the business men along the Pacific coast, at the places where I stopped with the Committee on Naval Affairs, of which I am a member, during the investigation that we made of the air, submarine, and naval bases, the trip being made on the good ship *Chaumont*, with Admirals Gregory and Cole as our companions. Probably nowhere was it received with greater enthusiasm than on the night I recited it at the banquet given to us by the Chinese Chamber of Commerce, in San Francisco, which was attended by representative members of the American Chamber of Commerce and by some of the most prominent men and women in San Francisco. Highly educated Chinese young ladies and young Chinese gentlemen, graduated from our universities, were our hosts. The rendition of the poem, of course, had nothing to do with the enthusiasm. It was the motif of the poem that aroused the emotions of those present; that is, that trade, peaceful commercial relations will make for the

peace of the world. That has been the policy of China and the great lesson it has tried to teach the world for centuries. The poem in some respects might be considered China's song to the modern world and its civilization, which has conquered everything except that which if unconquered will cause intellectuals despair and bow to the gloomy thought that progress has no other end than a splendid but gross materialism, song, and hope that trade will take the place of the sword. Listen to this masterpiece:

#### MERCHANDISE.

(By Milton Hayes.)

Merchandise! Merchandise! Tortoise shell, spices,  
Carpets and indigo—sent o'er the high seas;  
Mother-o'-pearl from the Solomon Isles—  
Brought by a brigantine ten thousand miles;  
Rubber from Zanzibar, tea from Nang-Po,  
Copra from Hayti, and wine from Bordeaux—  
Ships, with top-gallants and royals unfurled,  
Are bringing in freight from the ends of the world.

Crazy old windjammers manned by Malays,  
With rat-ridden bulkheads and creaking old stays,  
Reeking of bilge and of paint and of pitch—  
That's how your fat city merchant grew rich;  
But with tramps, heavy laden, and liners untold  
You may lease a new life to a world that's grown old.  
Merchandise! Merchandise! Nations are made  
By their men and their ships and their overseas trade.

So widen your harbors, your docks, and your quays,  
And hazard your wares on the wide ocean ways,  
Run out your railways and hew out your coal,  
For only by trade can a country keep whole.  
Feed up your furnaces, fashion your steel,  
Stick to your bargains and pay on the deal;  
Rich is your birthright, and well you'll be paid  
If you keep in good faith with your overseas trade.

Learn up your geography—work out your sums,  
Build up your commerce and pull down your slums;  
Sail on a Plineus that marks a full hold,  
Your overseas trade means a harvest of gold.  
Bring in the palm oil and pepper you bought,  
But sent out ten times the amount you import;  
Trade your invention, your labor and sweat,  
Your overseas traffic will keep ye from debt.

Hark to the song of shuttle and loom!  
"Keep up your commerce or crawl to your tomb."  
Study new methods and open new lines,  
Quicken your factories, foundries, and mines;  
Think of Columbus, De Gama, and Howe  
And waste not their labors by slacking it now,  
Work is life's currency—earn what you are worth  
And send out your ships to the ends of the earth.

Now, this is the great stanza which Brisbane says should immortalize its author:

For deep-bosomed mothers with wide-fashioned hips  
Will bear you good sons for the building of ships;  
Good sons for your ships and good ships for your trade—  
That's how the peace of the world will be made.  
So send out your strong to the forests untrod,  
Work for yourselves and your neighbors and God;  
Keep this great Nation the land of the free,  
With merchandise, men, and good ships on the sea—  
Merchandise—merchandise—good honest merchandise.

[Applause.]

Mr. MADDEN. Mr. Chairman, I yield one minute to the gentleman from Kansas [Mr. LITTLE].

Mr. LITTLE. Mr. Chairman, a few minutes ago I remarked the French King's expenditure on the Rochambeau fleet would foot up \$133,000,000,000 now at compound interest, wholly unpaid. The gentleman from Texas [Mr. BLANTON] said that I argued we should not require the French to pay us the \$4,000,000,000 they owe us. No; I did not say a word about what we ought to do. He made the deduction himself. I merely made the statement to see whether it would appeal to the conscience of the House and the people. I am glad I touched the gentleman's conscience.

Mr. BLANTON. It did not appeal to me.

Mr. LITTLE. The gentleman made the deduction himself. I did not. It must have come from his own deduction—his conscience.

Mr. MADDEN. Mr. Chairman, I ask for the reading of the first paragraph of the bill.

The Clerk read as follows:

OFFICE OF THE SECRETARY.

Salaries: Secretary of the Treasury, \$12,000; Undersecretary of the Treasury, to be nominated by the President and appointed by him, by and with the advice and consent of the Senate, who shall perform such duties in the office of the Secretary of the Treasury as may be prescribed by the Secretary or by law, and under the provisions of section 177, Revised Statutes, in case of the death, resignation, absence, or sickness of the Secretary of the Treasury, shall perform the duties of the Secretary until a successor is appointed or such absence or sickness shall cease, three Assistant Secretaries of the Treasury, and other personal services in the District of Columbia in accordance with "The classification act of 1923," \$163,780; in all, \$175,780: *Provided*, That in expending appropriations or portions of appropriations, contained in this act, for the payment for personal services in the District of Columbia in accordance with "The classification act of 1923," the average of the salaries of the total number of persons under any grade or class thereof in any bureau, office, or other appropriation unit, shall not at any time exceed the average of the compensation rates specified for the grade by such act: *Provided*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, or (2) to require the reduction in salary of any person whose compensation is fixed, as of July 1, 1924, in accordance with the rules of section 6 of such act, or (3) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by "The classification act of 1923," and is specifically authorized by other law.

Mr. BLANTON. Mr. Chairman, I reserve a point of order on the paragraph.

Mr. MADDEN. I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SANDERS of Indiana, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 6349, had come to no resolution thereon.

LEAVE TO ADDRESS THE HOUSE.

Mr. WAINWRIGHT. Mr. Speaker, I ask unanimous consent that on Tuesday next immediately after the reading of the Journal I be recognized for 45 minutes to address the House upon the resolution introduced by the gentleman from Wisconsin for an investigation of certain business transactions of the Air Service of the Army.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House on Tuesday next for 45 minutes on the subject mentioned. Is there objection? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. O'CONNOR of Louisiana. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made a few moments ago.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

REPRINT OF REPORT.

Mr. BLANTON. Mr. Speaker, there are some typographical errors which I find in a minority-report print which I made, and I ask for a reprint of it. It is a very important bill to come up, and it is the minority report.

The SPEAKER. The gentleman from Texas asks unanimous consent for a reprint of a minority report which he made. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT.

Mr. MADDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 43 minutes p. m.) the House adjourned until Monday, February 4, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

340. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation "to authorize major alterations to certain vessels and provide for the construction of additional vessels"; to the Committee on Naval Affairs.

341. A communication from the President of the United States, transmitting a communication from the Director of the United States Veterans' Bureau submitting claims for damages to or loss of privately owned property in the sum of \$626.16, which have been adjusted by him and which require an appropriation for their payment (H. Doc. No. 183); to the Committee on Appropriations and ordered to be printed.

342. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the War Department for the fiscal year ending June 30, 1924, for the National Home for Disabled Soldiers at the Battle Mountain Sanitarium, Hot Springs, S. Dak., \$22,000 (H. Doc. No. 184); to the Committee on Appropriations and ordered to be printed.

343. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment of the United States for the fiscal year ending June 30, 1924, and the fiscal year ending June 30, 1925, amounting in all to \$50,835.40 (H. Doc. No. 185); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII.

Mr. GRAHAM of Illinois: Committee on Interstate and Foreign Commerce. S. 1539. An act extending the time for the construction of a bridge across Fox River by the city of Aurora, Ill., and granting the consent of Congress to the removal of an existing dam and to its replacement with a new structure; with an amendment (Rept. No. 141). Referred to the House Calendar.

Mr. GRAHAM of Illinois: Committee on Interstate and Foreign Commerce. S. 1540. An act granting the consent of Congress to the city of Aurora, Kane County, Ill., a municipal corporation, to construct, maintain, and operate certain bridges across Fox River; with an amendment (Rept. No. 142). Referred to the House Calendar.

Mr. MCKENZIE: Committee on Military Affairs. H. R. 518. A bill to authorize and direct the Secretary of War to sell to Henry Ford nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco quarry, near Russellville, Ala.; and to lease to the corporation, to be incorporated by him, Dam No. 2 and Dam No. 3 (as designated in H. Doc. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes; with amendments (Rept. No. 143). Referred to the Committee of the Whole House on the state of the Union.

Mr. LOGAN: Committee on Naval Affairs. H. R. 1018. A bill authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Albany Institute and Historical and Art Society, of the city of Albany, N. Y., the silver service which was presented to the United States cruiser *Albany* by citizens of Albany, N. Y.; without amendment (Rept. No. 150). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII.

Mr. VINCENT of Michigan: Committee on Claims. H. R. 3143. A bill for the relief of Bernice Hutcheson; with an amendment (Rept. No. 144). Referred to the Committee of the Whole House.

Mr. THOMAS of Oklahoma: Committee on Claims. H. R. 3748. A bill for the relief of Lebanon National Bank; with an amendment (Rept. No. 145). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 5808. A bill for the relief of Edward T. Williams; without amendment (Rept. No. 146). Referred to the Committee of the Whole House.

Mr. CELLER: Committee on Claims. H. R. 1316. A bill for the relief of William R. Bradley, former acting collector of internal revenue for South Carolina; without amendment (Rept. No. 147). Referred to the Committee of the Whole House.

Mr. THOMAS of Oklahoma: Committee on Claims. S. 75. An act for the relief of the Cleveland State Bank, of Cleveland, Miss.; without amendment (Rept. No. 148). Referred to the Committee of the Whole House.

Mr. THOMAS of Oklahoma: Committee on Claims. S. 214. An act for the relief of The Old National Bank of Martinsburg, Martinsburg, W. Va.; with amendments (Rept. No. 149). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 6478) granting a pension to William E. Robinson, and the same was referred to the Committee on Invalid Pensions.



## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. REED of West Virginia (by request): A bill (H. R. 6576) to amend an act entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the board of education of the District of Columbia," approved June 20, 1906, as amended, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H. R. 6577) to amend an act entitled "An act to regulate the height, area, and use of buildings in the District of Columbia, and creating a zoning commission, and for other purposes," approved March 1, 1920; to the Committee on the District of Columbia.

By Mr. BURNETT: A bill (H. R. 6578) fixing the fees and subsistence allowance of jurors and witnesses in the United States court; to the Committee on the Judiciary.

By Mr. HOWARD of Oklahoma: A bill (H. R. 6579) to amend section 4 of the act of Congress approved March 3, 1921, entitled "An act to amend section 3 of the act of Congress of June 28, 1906, entitled 'An act of Congress for the division of the lands and funds of the Osage Indians in Oklahoma, and for other purposes'"; to the Committee on Indian Affairs.

By Mr. BUTLER: A bill (H. R. 6580) to authorize major alterations to certain naval vessels and providing for the construction of additional vessels; to the Committee on Naval Affairs.

By Mr. SUTHERLAND: A bill (H. R. 6581) authorizing the Postmaster General to provide emergency mail service in Alaska; to the Committee on the Post Office and Post Roads.

By Mr. DALLINGER: A bill (H. R. 6582) to provide for the better definition and extension of the purpose and duties of the bureau of education, and for other purposes; to the Committee on Education.

By Mr. DAVILA: A bill (H. R. 6583) to amend the organic act of Porto Rico, approved March 2, 1917; to the Committee on Insular Affairs.

By Mr. MICHENER: A bill (H. R. 6584) amending the law providing for special taxes on business and trades in Alaska; to the Committee on the Judiciary.

By Mr. BELL: A bill (H. R. 6585) to provide for the erection of a public building at the city of Canton, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6586) to provide for the erection of a public building at the city of Toccoa, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6587) to provide for the erection of a public building at the city of Buford, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6588) to provide for the erection of a public building at Lawrenceville, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6589) to provide for the erection of a public building at Jefferson, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6590) to provide for the erection of a public building at Commerce, Ga.; to the Committee on Public Buildings and Grounds.

By Mr. RAGON: A bill (H. R. 6591) for the erection of a public building at North Little Rock, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. DREWRY: A bill (H. R. 6592) to authorize the acquisition of a site and the erection thereon of a Federal building at Hopewell, Va.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6593) to enlarge, extend, and remodel the post-office building at Petersburg, Va., and to acquire additional land therefor, if necessary; to the Committee on Public Buildings and Grounds.

By Mr. MCKENZIE: Resolution (H. Res. 169) for the immediate consideration of H. R. 518; to the Committee on Rules.

By Mr. MACGREGOR: Resolution (H. Res. 170) providing for clerk hire to the Committee on World War Veterans' Legislation; to the Committee on Accounts.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRAND of Ohio: A bill (H. R. 6594) granting a pension to Margaret Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6595) granting a pension to Hester A. Black; to the Committee on Invalid Pensions.

By Mr. BROWNE of Wisconsin: A bill (H. R. 6596) granting a pension to Emma T. Ball; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6597) granting a pension to Margaret D. Balch; to the Committee on Invalid Pensions.

By Mr. BUCKLEY: A bill (H. R. 6598) for the relief of Mary Altieri; to the Committee on Claims.

By Mr. BUTLER: A bill (H. R. 6599) for the relief of the township of Tinicum, Pa., and Delaware County, Pa.; to the Committee on War Claims.

By Mr. CLEARY: A bill (H. R. 6600) for the relief of William C. Schmitt; to the Committee on Claims.

By Mr. FAIRCHILD: A bill (H. R. 6601) for the relief of Michael J. Leo; to the Committee on Claims.

By Mr. GERAN: A bill (H. R. 6602) granting a pension to Amelia M. Hetherington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6603) to compensate the J. Fischer Co., of Keyport, N. J., for damages sustained due to the dredging operations in Matawan Creek, N. J., by the United States dredge *Sucker*; to the Committee on Claims.

Also, a bill (H. R. 6604) for the relief of Edward S. Farrow; to the Committee on Military Affairs.

By Mr. GREENWOOD: A bill (H. R. 6605) granting a pension to Ernest M. Rink; to the Committee on Invalid Pensions.

By Mr. HICKEY: A bill (H. R. 6606) granting a pension to Elizabeth A. Andrews; to the Committee on Invalid Pensions.

By Mr. MORTON D. HULL: A bill (H. R. 6607) granting a pension to James A. Butler; to the Committee on Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 6608) granting an increase of pension to Anne Van Ogle; to the Committee on Pensions.

By Mr. LINTHICUM: A bill (H. R. 6609) granting an increase of pension to Sarah Jane Ross; to the Committee on Invalid Pensions.

By Mr. McNULTY: A bill (H. R. 6610) authorizing the Secretary of War to donate to the town of Bloomfield, N. J., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. MICHENER: A bill (H. R. 6611) granting a pension to Nancy Marie Richards; to the Committee on Invalid Pensions.

By Mr. NEWTON of Minnesota: A bill (H. R. 6612) for the relief of W. A. McClellan; to the Committee on Claims.

By Mr. PATTERSON: A bill (H. R. 6613) granting an increase of pension to Annie Kenny; to the Committee on Invalid Pensions.

By Mr. ROGERS of New Hampshire: A bill (H. R. 6614) granting a pension to Anna T. Dixon; to the Committee on Invalid Pensions.

By Mr. SITES: A bill (H. R. 6615) granting an increase of pension to Mary A. Delhl; to the Committee on Pensions.

By Mr. SWING: A bill (H. R. 6616) granting a pension to Margaret J. McKendry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6617) granting a pension to Edna Morgan; to the Committee on Invalid Pensions.

By Mr. THATCHER: A bill (H. R. 6618) for the relief of Pirtle Handley; to the Committee on Claims.

By Mr. TINCHER: A bill (H. R. 6619) granting a pension to Essie Bandhauer; to the Committee on Pensions.

By Mr. TREADWAY: A bill (H. R. 6620) granting an increase of pension to Rosalie H. Webster; to the Committee on Invalid Pensions.

By Mr. WILSON of Indiana: A bill (H. R. 6621) granting a pension to Minerva Lane; to the Committee on Invalid Pensions.

By Mr. WINGO: A bill (H. R. 6622) granting a pension to Robert Wiley; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

852. By the SPEAKER (by request): Petition of Massachusetts Audubon Society, indorsing the migratory bird refuge act; to the Committee on Agriculture.

853. Also (by request), petition of citizens of Winfield, Ala., users of motor vehicles, petitioning for the repeal of all unfair war excise taxes; to the Committee on Ways and Means.

854. By Mr. ABERNETHY: Petition of Mrs. C. R. Lincoln, president Morehead City (N. C.) Parent-Teachers' Association, and Mrs. Frank Giddens, secretary of same association, favoring child labor amendment to Constitution; to the Committee on the Judiciary.

855. Also, petition of Lucile Rice, president, and other members of the Students' Council of the high school of Beaufort,

N. C., favoring a bonus to all veterans of the World War; to the Committee on Ways and Means.

856. By Mr. FENN: Petition of Lodge Victor Emmanuel 3, No. 522, Order of Sons of Italy, New Britain, Conn., protesting against the passage of House bill 101, known as the Johnson restrictive immigration bill; to the Committee on Immigration and Naturalization.

857. By Mr. FULLER: Petitions of Streater (Ill.) National Bank, H. W. Lukins, president; the Morris (Ill.) Cutlery Co., and sundry citizens of Illinois, favoring the Kelly bill (H. R. 4123) for reclassification and increase of salaries of post-office employees; to the Committee on the Post Office and Post Roads.

858. Also, petition of the employees of the office of the collector of internal revenue at Chicago, favoring the Lehlbach bill (H. R. 705) amending the retirement act of 1920; to the Committee on the Civil Service.

859. Also, petition of Carl W. Swenson, of Rockford, Ill., and sundry other citizens, favoring the Mellon plan for tax reduction; to the Committee on Ways and Means.

860. By Mr. O'SULLIVAN: Memorial of 15 citizens of Waterbury, Conn., in opposition to the so-called Johnson immigration bill (H. R. 101); to the Committee on Immigration and Naturalization.

861. Also, petitions of L. W. Steele Camp, No. 34, Sons of Veterans, Torrington, Conn.; Wadhams Camp, No. 49, Sons of Veterans, Waterbury, Conn.; William B. Wooster Camp, No. 25, Sons of Veterans, Ansonia, Conn.; Wadhams Post, No. 49, G. A. R., Waterbury, Conn.; Elisha Kellogg Camp, No. 18, Sons of Veterans, Thomaston, Conn.; Isabell Camp, No. 35, Sons of Veterans, Naugatuck, Conn.; Hiram Eddy Camp, No. 3, Sons of Veterans, Lakeville, Conn.; Charles L. Russell Camp, No. 26, Sons of Veterans, Derby, Conn., in favor of measure to increase pensions of Civil War veterans and their widows; to the Committee on Invalid Pensions.

862. Also, petition of Sons of Italy of the State of Connecticut in opposition to the so-called Johnson immigration bill (H. R. 101); to the Committee on Immigration and Naturalization.

863. By Mr. PATTERSON: Petition of the Woman's Club of Camden, N. J., indorsing judicial tribunals to bring about world peace; to the Committee on Foreign Affairs.

864. By Mr. TEMPLE: Petition of Post No. 400, American Legion, Carmichaels, Pa., favoring adjusted compensation for the soldiers of the World War; to the Committee on Ways and Means.

## SENATE.

MONDAY, February 4, 1924.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, amid the sorrows of this hour, as a nation mourns and nations unite in the mourning, we turn unto Thee, the God of all consolation, and humbly beseech of Thee that there may be had by each one the consciousness that life after all is at Thy disposal.

We thank Thee for the greatness of the man and all his associations in the great movement of the world's life, in the time of awful tragedy to the nations, and we humbly ask that at this time, forgetful of all differences, we may humbly approach Thee, seeking Thy favor to the sorrowing household. Be the widow's God, the Father of the fatherless; and may each of us find that under the shadow of Thy wings infinite comfort and hope is ours.

We thank Thee that life is not measured by the days according to the calendar, but that life reaches out into the eternity before us; and we rejoice to know that in the consciousness of him, when he could speak in those declining days, there was the certainty of the life beyond. The Lord gave; the Lord hath taken away; blessed be the name of the Lord.

And may we as we turn to duty feel that after all we are but creatures called upon to do Thy will and to help the highest interests of our land. Remember all who mourn. Remember, we beseech of Thee, our President and those related to him in solemn responsibility. Bless each one, Father, as we turn toward Thee with cries for the infinite sympathy and the tenderness of the heart that was broken for us on Calvary. We ask in Jesus Christ's name. Amen.

On request of Mr. CURTIS and by unanimous consent the reading of the Journal of the proceedings of Friday last was dispensed with and the Journal was approved.

## DEATH OF FORMER PRESIDENT WOODROW WILSON.

Mr. ROBINSON. Mr. President, I submit a resolution and ask that it be read.

The PRESIDENT pro tempore. The Secretary will read the resolution.

The reading clerk read the resolution (S. Res. 142), as follows:

The Senate having learned with profound sensibility and sorrow of the death of Woodrow Wilson, former President of the United States:

*Resolved*, That as a token of honor to the many virtues, public and private, of the illustrious statesman, and as a mark of respect to one who has held such eminent public station, the Presiding Officer of the Senate shall appoint a committee to attend the funeral of Woodrow Wilson on behalf of the Senate.

*Resolved*, That such committee may join such committee as may be appointed on the part of the House to consider and report by what further token of respect and affection it may be proper for the Congress of the United States to express the deep sensibility of the Nation.

*Resolved*, That the Secretary communicate these resolutions to the House and transmit a copy of the same to the afflicted family of the illustrious dead.

*Resolved*, That the Sergeant at Arms of the Senate be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions.

Mr. ROBINSON. Mr. President, the announcement that former President Woodrow Wilson had passed away causes grief throughout the civilized world. The illness which resulted in his death was prolonged. During his sufferings Mr. Wilson received numerous and pathetic evidences of sympathy from his fellow countrymen. His departure marks the end of a career glorified by many notable achievements.

## WEIGHTY RESPONSIBILITIES.

The eight years while Mr. Wilson served as President may be counted the most momentous in modern history. Into this short period revolutions of immeasurable importance were crowded. The governmental problems solved during those eight years challenged the prudence, foresight, and courage of the Chief Executive.

The proper decision of numerous weighty domestic questions during his administrations was complicated by disturbed conditions in our foreign relations and by our participation in the great world conflict. Notwithstanding these distracting issues with other nations, the fiscal policy of the Government was revolutionized by far-reaching changes in our banking and taxation systems.

## THE POLICY OF NEUTRALITY.

When the storm of war swept Europe in 1914, the United States adopted a neutral policy. Many thought we should openly espouse the cause of the Allies. The great majority of the American people, however, justified Mr. Wilson's course in this particular. It was statesmanship of the most courageous order to keep our country out of the war until public sentiment compelled resentment and hostility toward the Central Empires for the violation of personal and property rights of American citizenship.

The decision of Mr. Wilson, as Commander in Chief of the Army and Navy, to send our troops with all available supplies to the rescue of the Allies, fighting for their existence along the battle fronts of Europe, required surpassing will power. Thousands were pleading that we stand on the defensive. The determination to hurry our troops to the front saved England, Italy, and France from defeat, and the United States from protracted single-handed war against the enemy. The financing of the war, the organization of an effective quartermaster service, prompt provision for transportation and the mobilization of all the physical and moral resources of the country was a gigantic task made possible only by the spirit of loyalty and sacrifice which thrilled the men and women of our Nation. It has been suggested that Mr. Wilson unwisely assumed personal direction of our part in the negotiations at the Paris Peace Conference. He felt a personal responsibility—a duty which he could not delegate—to help in bringing about a just peace, an enduring peace. His plan for the preservation of world peace was rejected, and the treaty of peace incorporating it failed of ratification in the Senate, largely because it included the League of Nations covenant. History must decide whether the rejection of the treaty by the Senate was a mistake.

As the leader of our country in its greatest crisis, he is passing into history with opinion divided as to the wisdom of some of his foreign policies. When confusion has given place to calm conviction, he must take high place among the renowned